Department of the Interior
Asset Management Plan, Version 1.2

June 2005

Asset Management Partnership

TABLE OF CONTENTS

EXECUTIVE SUMMARY

The Department of the Interior's (DOI) Asset Management Plan (AMP) presents DOI's strategic vision and plan of action for compliance with the President's executive order and the methodology of asset management for:

- Owned and leased buildings;
- Structures;
- Linear assets;
- the Motor vehicle fleet; and
- Non-Stewardship land used for administrative purposes.[1]

The DOI AMP embraces the principles of the Federal Real Property Council (FRPC) established by Executive Order (E.O.) 13327 on Federal Real Property Asset Management. The AMP is structured to meet the form, content and other FRPC requirements. It is intended to be a tool for managers throughout DOI, providing the roadmap to continue the transition from a project-centric to portfolio-centric management approach. This transition to a portfolio-based approach has significantly improved the management of DOI's constructed assets and through the AMP will better ensure that managers:

- Make effective business and operational investment decisions in assets that contribute to the mission and strategic goals;
- Manage assets to optimize utilization, improve effectiveness and efficiency, and promote regulatory compliance and stewardship;
- Optimize the portfolio of owned and leased assets, including space management and fleet composition and utilization; and
- Build on and utilize historical accomplishments and current methodology to promote improvements in asset management.

Implementation of the AMP through a portfolio-centered approach will strengthen the management of DOI's vast asset inventory. This inventory includes approximately 40,000 buildings, 4,200 bridges and tunnels, 126,000 miles of highways and roads, and 2,500 dams, as well as nearly every type of asset found in a local community. Many of these assets have historic or cultural significance that not only support DOI's mission, but also are part of the core mission.

The AMP will guide DOI in the creation of a consistent, current inventory in the Financial and Business Management System (FBMS) and in the development of a single Facility Maintenance Management System database. Importantly, the AMP will guide DOI managers on how to affordably and reasonably maintain and sustain the portfolio to achieve the DOI mission and outcome goals encompassing the major responsibilities of:

- Resource protection;
- Resource use;

[1] Non-stewardship land is considered to be the land associated with constructed assets such that it would be impractical to try to separate for sale.

- Recreation; and
- Serving communities.

The use of performance metrics is a key ingredient to managing DOI's portfolio. The AMP requires the continued use of common industry performance metrics, such as Facility Condition Index (FCI), Current Replacement Value (CRV), and deployment of an approach that will allow DOI to more systematically include the mission dependency of assets in investment decisions by using standard scoring tools like an Asset Priority Index (API). The AMP features:

- Development of standard policy and procedures that focuses on life-cycle costs and the portfolio covering planning, acquisition, operation, maintenance and the disposal of assets;
- Bureau AMPs and internal scorecards, and site-specific plans;
- A strengthened capital planning and investment control (CPIC) process and governance of portfolio and individual projects and assets;
- Establishment of an accurate and current property inventory with data elements and performance metrics that will be supported by FBMS and FMMS;
- A framework for accountable management of assets including reporting; and
- Identification of actions to implement the AMP.

In meeting the requirements of the AMP and the E.O., DOI's bureaus will be able to succinctly capture, analyze, plan, and present all of this information in a manner that facilitates using "best practice" concepts in Federal asset management.

1. INTRODUCTION

This Department of the Interior's (DOI) Asset Management Plan (AMP) establishes a strategic direction for the management of assets within the Interior portfolio. The DOI AMP addresses the life-cycle requirements of owned and leased buildings, structures, linear assets, the motor vehicle fleet, and non-Stewardship land used for administrative purposes[2]

The AMP embraces the principles of the Federal Real Property Council (FRPC) established by Executive Order (E.O.) 13327 on Federal Real Property Asset Management. The FRPC's ten guiding principles, applicable to Federal asset management, include:

1. Support agency missions and strategic goals
2. Use public and commercial benchmarks and best practices
3. Employ life-cycle cost-benefit analysis
4. Promote full and appropriate utilization
5. Dispose of unneeded assets
6. Provide appropriate levels of investment
7. Accurately inventory and describe all assets
8. Employ balanced performance measures
9. Advance customer satisfaction
10. Provide for safe, secure, and healthy workplaces

The DOI AMP is comprised of the following five sections.

Section 1 – <u>Introduction</u> provides an introduction and describes the approach and content of this plan.

Section 2 – <u>Support of Agency Missions and Strategic Goals</u> addresses human capital and organizational structure, decision-making framework, and objectives.

Section 3 – <u>Planning and Acquisition of Assets</u> describes how DOI plans for and acquires owned and leased buildings, structures, linear assets and fleet, develops its capital plan, identifies its prioritized acquisition list each fiscal year, measures the effectiveness of its acquisition results, and identifies key initiatives to improve financial management and acquisition performance.

Section 4 – <u>Operations of Assets</u> describes how DOI operates its owned and leased buildings, structures, linear assets and fleet, addressing its inventory system, its Operations and Maintenance Plans, its Asset Business Plans or "Building Block" Plans and its periodic evaluation of assets. Additionally, operational measures are described, as well as key initiatives that are underway to improve operational performance.

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[2] Non-stewardship land is considered to be the land associated with constructed assets such that it would be impractical to try to separate for sale.

Section 5 – Disposal of Unneeded Assets describes how DOI disposes of unneeded assets, measures the effectiveness of its redeployment actions and identifies key initiatives to improve the pace of disposition as well as its ability to dispose of difficult, environmentally challenged properties. Plans for disposal of assets in current and future years will be described.

The AMP also includes the:

- DOI's Government Performance and Results Act (GPRA) Strategic Plan Asset Management Performance Measures in Section 7;
- General description of the bureaus' missions and programs in Section 8;
- Asset Management Implementation Plan of actions the Department and the bureaus will pursue over the next three years with target completion dates and categorized by the nature of the action in Section 9; and
- Listing of sections in the AMP referencing Facility Condition Index (FCI), Asset Priority Index (API), and Capital Planning and Investment Control (CPIC) in Section 10.

The Implementation Plan in Section 9 is a compilation of the initiatives identified at the end of Sections 2 through 5.

2. SUPPORT OF AGENCY MISSIONS AND STRATEGIC GOALS

To facilitate integrating real property asset management decisions with agency missions, two elements are needed – a clear understanding of the agency's mission that drives the allocation and use of all available resources (human , physical , financial and technology/information capital) and an effective decision-making framework. DOI's AMP, as required by E.O. 13327 presents DOI's strategic vision and plan of action for strengthening the management of assets.

The inter-bureau Asset Management Partnership developed this plan. It establishes a strategy to:

- Manage and oversee Interior owned and leased assets;
- Maximize their contribution toward accomplishing the Department's diverse missions; and
- Support the Department's strategic goals, maximize utilization, effectiveness, and efficiency

2.1 Agency Mission

The Department's 2003-2008 Strategic Plan presents Interior from an enterprise perspective, as one entity, with a single over-arching plan driven by cross-cutting programs and multi-bureau and multi-agency goals and objectives. DOI's mission has been organized into four areas of responsibility:

- Resource Protection -- Protect the Nation's natural, cultural and heritage resources;
- Resource Use -- Manage resources to promote responsible use and sustain a dynamic economy;
- Recreation -- Provide recreation opportunities for the public; and

- Serving Communities -- Safeguard lives, property and assets, advance scientific knowledge, and improve the quality of life for communities we serve.

Each of these areas has its own strategic goal, supported by several related end-outcome (i.e., the desired consequences of our actions) goals. Those end-outcome goals, in turn, guide a collection of related programs and services administered by one or more of the Department's bureaus and offices. Likewise, each goal is supported by a broad range of quantitative performance measures—intermediate outcome goals and performance targets. Many of the goals of our Strategic Plan address prudent asset management. A list of these asset management-oriented goals can be found in Section 7 of this AMP.

DOI has the responsibility for making critical resources available to support many facets of the domestic economy while protecting our environment. DOI must serve as a dependable trustee and fulfill our special commitments to American Indians, Alaska Natives, and affiliated Island Communities.

Real property asset management must integrate with and enable mission work using an asset management program and investment management process. This ensures that investments are aligned with Departmental, bureau, program missions and strategic goals. Assets and investments are prioritized based on the degree to which investments support mission needs and the achievement of strategic goals.

2.1.1 Real Property Organization Mission

DOI accomplishes its mission through eight bureaus each with a unique mission and multiple offices with distinct responsibilities. Each bureau's mission statement is described in Chapter 8 of this document, DOI Bureau Missions.

DOI, with more than 70,000 employees and 200,000 volunteers, operates at some 2,400 locations across the United States (U.S.) and in U.S. island territories. DOI's geographic presence along with the vast number and variety of assets make facilities and asset management a challenge. Moreover, managing approximately 40,000 buildings, 4,200 bridges and tunnels, 126,000 miles of highways and roads, and 2,500 dams, particularly those with historic or cultural significance, does more than facilitate the support of DOI's mission, it is part of the Department's critical mission. Many of DOI assets are valued for their environmental resources, recreational and scenic values, their cultural and historical resources, and the resources, commodities, and revenues they provide.

DOI manages nearly every type of facility found in America's towns and cities – DOI has dams, electric generating facilities, houses, hotels, campgrounds, roads, boat docks, wastewater treatment plants, stables, and even landfills. Increased public visitation on public lands including National Parks, National Wildlife Refuges, National Wilderness Areas, National Monuments and other protected resources is placing greater demands on facilities and other assets as well as the programs and organizations for which they are used. In addition, DOI occupies lease space at annual cost of $300 million and maintains a fleet of 38,000 motor vehicles of which over 2,600 are alternative fuel vehicles (AFV).

The execution of asset management varies among the bureaus. However, consistent throughout the Department is that all facilities will be constructed, operated, and maintained in a manner consistent with all health and safety standards and in compliance with all appropriate codes for safety, security, and accessibility. In addition, it is DOI policy that energy efficiency and environmentally-sound building and operating principles will be applied as we build, operate, and maintain our facility and equipment assets.

A description of the current state of the major bureau programs are as follows:

<u>Bureau of Land Management's (BLM)</u> – BLM's asset management property program is to ensure proper stewardship of owned constructed assets (buildings, bridges, roads, utility systems, and other facilities and infrastructures) that enables the BLM to successfully manage 264 million acres of public lands. In addition, BLM asset managers are responsible for the identification of space leasing requirements, the contractual compliance of the lessor, and development of a five-year space leasing plan. BLM asset managers are also responsible for the management of personal property assets, including GSA-provided and DOI-owned fleet and heavy equipment assets which support the constructed assets listed above. The BLM program ensures protection of critical resources, public and administrative access, as well as uses ranging from recreation to commercial activities.

Bureau of Reclamation (BOR) – BOR's management of land and constructed assets is an integral component and activity in the Denver Office, each region, and area office. Current and accurate land records (rights-of-way/easements) are imperative for an organization that is responsible for operating and maintaining its water and power infrastructure throughout the seventeen western states.

U.S. Geological Survey (USGS) – Responsibility for facility construction and maintenance, space acquisition, and leasing all reside within the Office of Management and Services. The headquarters Office of Management Services sets Bureau policy for real property management; carries out strategic facilities planning; develops 5-year plans for construction and deferred maintenance; and allocates funds for rent, operations and maintenance, deferred maintenance, and capital improvement. In each of the USGS's three regions, a counterpart Branch of Management Services oversees the acquisition, disposal, and operation of owned, leased, and GSA properties in that region. Local USGS science centers can acquire property within threshold limits and with the advice and consent of the regional Branch of Management Services. Major acquisitions are approved by regional investment review boards and the bureau Investment Review Board.

Fish and Wildlife Service (FWS) – FWS has integrated its real property program with its facility and equipment maintenance program. Property management decisions are decentralized and normally made at the Region or Washington offices depending upon the scope of the decision. Space management issues for larger or consolidated offices are made in the Regional or Washington offices of contracting and facilities management. The decision-making process is dependent upon receiving information from the condition assessment process, the asset priority index tool, the DOI five-year plan scoring system, and issues such as office space utilization. Major construction projects are reviewed by the Investment review board at the Washington office.

National Park Service (NPS) – NPS responsibility for acquiring direct or GSA leases, space management, acquisition and allocation of funds for rent is centralized at the headquarters office. The headquarters program also oversees the disposal of improvements on real properties identified by parks to ensure that: 1) unutilized, underutilized, excess and surplus properties are disposed of in accordance with the appropriate policies and procedures; and 2) the annual real property inventory certification of properties owned and/or commercially leased by the NPS and ensuring that all GSA reporting requirements are met. All of these functions reside under the Office of the Comptroller, Washington Property Office. Parks and Regions initiate the planning and approval processes at the unit level. The Property Office also sets policies and procedures pertaining to space management and the management of real properties.

The Land Resource Division resides under the Associate Director for Park Planning, Facilities, and Lands and is responsible for the acquisition of land (real property) and interest in land within units of the National Park System utilizing the Land and Water Conservation Fund. The Washington Land Resources Office establishes policies and procedures pertaining to the acquisition of land and including the budget and coordination of the Service-wide Program. The Land Acquisition program is executed at the regional level which includes the establishment of priorities.

Bureau of Indian Affairs (BIA) – BIA asset management is administered through the Office of the Deputy Assistant Secretary for Management (DAS). This Office serves as the CIPC Bureau Investment Review Board (BIRB). Within this office, the Chief Financial Officer directs the Division of Real Property functions for Space Management and Vehicle Usage.

This Division provides policy guidance for both GSA leasing and direct leasing while maintaining the integrity of the FFS-Fixed Assets inventories and disposal/transfer/sell procedures. Also with in this Office of the DAS, the Director of the Office of Management Support Services directs the Deputy Director, Office of Facilities Management and Construction. This Office maintains the Facilities Management Information System (FMIS), provides the strategic planning functions for all BIA constructed assets to the BIRB, conducts Condition Assessments, provides facility condition index data management, develops 5-Year construction, improvement and repair plans, develops annual and long range plans to excess space, maintains the construction in progress data integrity and coordinates application of the asset priority indices with major program offices as well as the Division of Property Management.

In all DOI Bureaus, the focus of the property program is to ensure proper stewardship of assets (buildings, bridges, roads, utility systems, and other facilities and infrastructures) that enables Bureau missions. The programs ensure protection of critical resources, public and administrative access, as well as uses ranging from recreation to commercial activities.

2.2 Human Capital and Organization Infrastructure

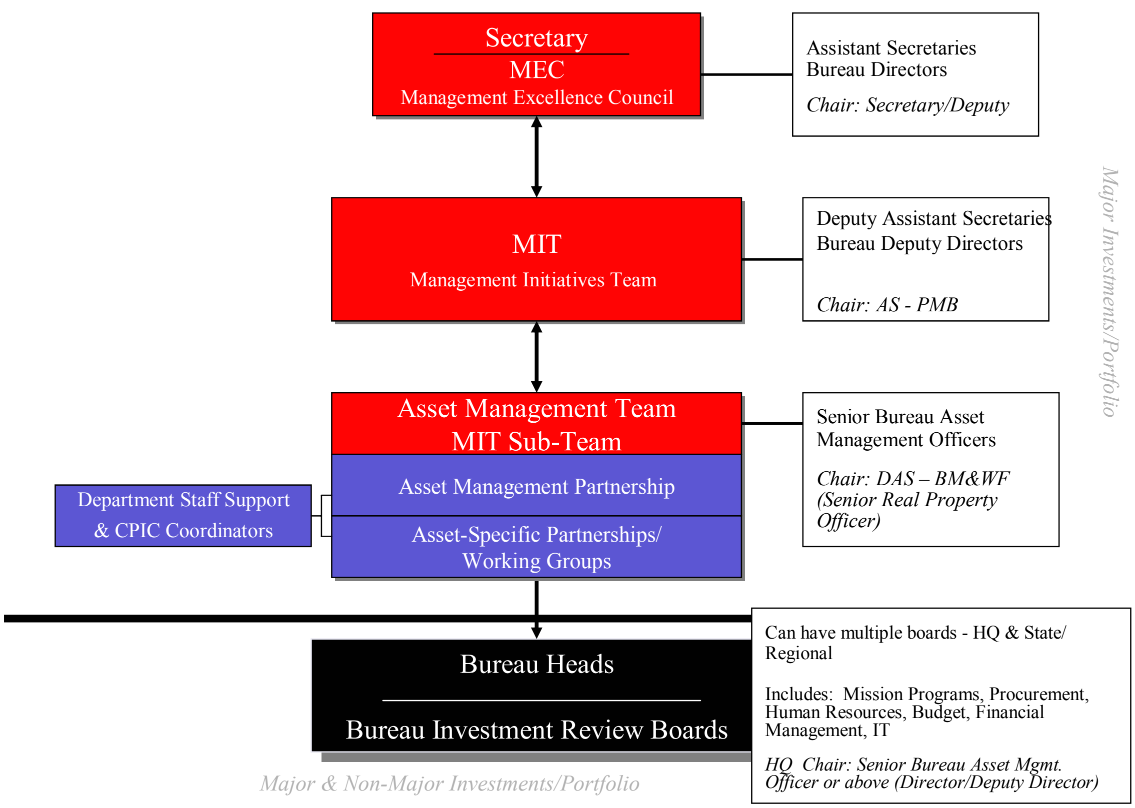
The Secretary of the Interior leads the agency and is supported by assistant secretaries, bureau directors, and other senior officials. In 2004, the Assistant Secretary – Policy, Management and Budget (PMB) consolidated facility and property management oversight activities and functions to better position the Department to comply with the provisions of the E.O. 13327. This organization, the Office of Acquisition and Property Management (PAM), reports to the Deputy Assistant Secretary for Business Management and Wildland Fire, who is DOI's Senior Real Property Officer.

The Assistant Secretary – PMB, Deputy Assistant Secretary for Business Management and Wildland Fire, and PAM provide executive level leadership for the Department in the areas of acquisition and Federal assistance (grants and cooperative agreements); facilities, real, museum and personal property management; government furnished quarters; space management; energy efficiency, water conservation and renewable energy programs; motor vehicle fleet management; alternative fuel vehicles (AFV); integrated charge card program; and electronic commerce and related automated systems. PAM also coordinates policy development, promotes business professionalism through program evaluation and guidance, supports capital planning, and supports program and bureau operations in all of its functional areas.

Consistent with the designation of a Senior Real Property Officer, each bureau in DOI has established an organization structure to manage real property assets in support of that bureau's mission. Each bureau has designated a senior bureau asset management officer to oversee the asset management program and ensure its alignment with the bureau's unique mission and Departmental strategic goals.

Each bureau's unique mission, history, and management culture have influenced its respective organizational structure, number and type of offices established at the headquarters, regional, and local level, the functions performed in those offices, and the level of real property management responsibility delegated to them. Although different in execution, each real property organization is driven by a commitment to support DOI and the bureaus' mission and carry out the DOI Strategic Plan and AMP.

To bridge those differences and increase intra-agency efforts to work toward management excellence including common asset management goals, DOI has established a hierarchy of intra-agency councils to insure coordination within the Department as noted in the following diagram. At the executive level, there is the Management Executive Council (assistant secretaries, and bureau directors) and the Management Initiatives Team (deputy assistant secretaries, and bureau deputy directors). The Asset Management Team, a sub-team of the Management Initiatives Team, is comprised of the senior asset management officers from each bureau. Its role is to preside over major real property investment decisions and initiatives. The Asset Management Partnership, comprised of bureau mid-level asset managers, provides staff support to DOI's executive leadership.



DOI's Strategic Human Capital Management Plan at http://www.doi.gov/pfm/human_cap_plan/ provides a framework for human capital management and development in Interior. Specifically in support of asset management, DOI has addressed human capital needs by conducting two Facilities and Asset Management Conferences. This was a joint effort with the U.S. Forest Service and Indian Health Service to provide best practices in maintenance, construction, engineering, leasing, and real property financial management and to enhance career development and retention of employees with critical skills.

In addition, DOI has drafted a Facility Management Workforce Plan that lays out steps to improve recruitment, retention, and training of critical facility management skills. This draft Facility Management Workforce Plan will be expanded to be consistent with the DOI Human Capital Management Plan. DOI University has developed a curriculum to facilitate project management training. These steps help ensure uniform application of business practices.

DOI is continually evaluating its ability to meet new and evolving requirements for strengthening asset management. The Department will undertake a DOI-wide mission needs analysis or gap analysis to evaluate and compare the resource requirements, i.e., staffing, training, contractual support, etc., necessary to implement the E.O. and DOI's asset management program with current available resources.

The Department will continue to identify and implement best practices and opportunities to share resources among the bureaus and to partner with other agencies to create economies of skill. Economies of skill stemming from common approaches, common language, and common requirements permit the redeployment of human resources within and between organizations to meet critical needs. The Service First program, a current partnership between the BLM and the Forest Service of the U.S. Department of Agriculture, is an example of DOI working with another agency to seek cost-effective solutions to common critical needs and concerns.

2.3 Asset Management Decision-Making

The DOI's portfolio-based approach to asset management provides managers at all levels the tools to make wise investments, including informed choices for funding, in owned and leased buildings, structures, linear, fleet assets and non-stewardship lands that contribute to the mission. The goal of this portfolio-based approach is to achieve management excellence and effective mission delivery. To accomplish this goal, our managers must be able to address the following questions in managing the portfolio of covered assets, throughout the life-cycle of individual assets:

- Can we ensure that assets are strategically aligned with program goals and objectives?
- Can we realign assets in response to change?
- Can we ensure the best value for investing in assets?
- Can we measure the value?
- Can we determine the future use, needs, or the replacement of assets?

Through the Management Initiatives Team, the bureau investment review boards and the framework established to review asset investments, the Department is evaluating and prioritizing investments, basing investment decisions on cost-benefit, and developing five-year plans that provide a context for investment decisions and budgets.

The Department's initiatives for space and fleet management also establish frameworks for making investment decisions and effective management. DOI managers will be better able to ensure the right mix of owned and leased assets in DOI's asset portfolio, including space and fleet.

2.3.1 Elements of Asset Management Decision-Making

The strategy and plan of action presented in this AMP is structured around the development of a consistent approach for five categories of asset management – 1) contribution to mission, 2) asset inventory, 3) asset condition, 4) asset valuation, and 5) improving the condition of the asset portfolio and properly sustaining it over time – life cycle management. DOI's accomplishments and actions currently underway are the building blocks for the strategies to strengthen asset management that are presented in this section.

In recognition of the importance of managing the portfolio to support DOI's many and diverse missions and its strategic goals, the elements of asset management decision-making are described below.

2.3.1.1 Contribution to Mission

The Department's maturing asset management program and investment management process is better ensuring that investments are aligned with Departmental, bureau, program missions and strategic goals. This linkage results in the prioritization of constructed assets based on the degree to which investments support mission needs and the achievement of strategic goals. For DOI owned and leased real property assets, the Asset Priority Index (API) is one tool that helps provide a clearer link to mission for each existing and proposed building and structural asset in the portfolio.

The Department, through the Asset Management Partnership, will continue to refine the DOI API framework, criteria and weighting. Standards will be developed to guide Interior and bureau-level scoring processes that reflect the mission of each individual organization. API scores will be based on a 0-100 point scale. Mission dependency and operations criteria comprise 80 percent of the total weight. Asset substitutability equals 20 percent.

At this time, the Department and the bureaus have agreed to the following structure:

- Each Bureau API will have a 0-100 scale which will map to the FRPC-defined categories for mission dependency.
- 80% of the 100 point score will be reserved for criteria that reflect the Bureau's unique mission. For example in the National Park Service (NPS), these include visitor satisfaction and resource protection. In the U.S. Geological Survey, they include short and long-term support for scientific goals. All Bureaus will include criteria that are appropriate for their mission (education, science, land management, etc.).
- 20% of the 100 point score will be reserved for the concept of asset substitutability. Asset substitutability encourages asset managers to consider how "substitutable" an asset may be. For example, if an asset is unique and no comparable facility exists, the asset would receive the maximum score for "no substitute." If there are many similar assets in close proximity, the asset would score lower on asset substitutability.

This is a substantive new initiative that will be used with FRPC performance metrics and others factors to enhance the ability of managers to make the best decisions possible on which assets to repair, where and when to build new, when to enter and exit leases, and when to dispose of assets, all within the context of contribution to mission. The API will be used in concert with the existing Deferred Maintenance and Capital Improvement Five-Year Plan in which bureaus submit a summary business case for out-year projects. One of the required elements is linking the project to DOI strategic goals and objectives.

Given the current focus by DOI on fleet management and space utilization, the AMP provides for a special emphasis on these functions. For vehicles, the Department will be able to optimize utilization, consider fleet resources within a broader context and optimize the size of its fleet by linking decisions about acquisition, leasing, replacement cycles and disposal with strategic goals and mission needs. Based on the Department's fleet management strategy, bureaus are formulating fleet management plans that are a framework for improved fleet management.

For space, the Department will develop a multi-year strategic plan that will ensure that facility acquisitions, lease renewals and relocations are driven by mission-related needs and that priority is placed on collocation, consolidation, and improved partnership relationships. Using information provided by the bureaus on current and future year lease plans, anticipated lease expirations, renewals, and relocations, the Department will identify opportunities for collocation, consolidation and other actions to improve space utilization and mission support.

2.3.1.2 Asset Inventory

The Department presently maintains an inventory of owned and leased buildings, structures, linear assets and fleet assets including listings of all DOI owned, occupied (through cooperative agreement or collocation), and leased assets in a mix of bureau-specific databases. DOI is in the process establishing an accurate and current inventory through the development of the Financial and Business Management System (FBMS) which will bring standardization and integration of data.

FBMS is a single, integrated tool that will help Interior's bureaus to manage their many unique missions. FBMS will help bureaus to manage a variety of administrative functions, including: Accounts Receivable, Accounts Payable and Project Systems, Budget Formulation, Budget Execution, Personal Property, Real Property, Fleet, Core Financials, Acquisition, Travel, Financial Assistance, and Enterprise Information Management. FBMS will also interface with the Federal Personnel and Payroll System (FPPS), the Bankcard system, and the Quarters Management Inventory System (QMIS).

FBMS will contain all fields necessary for government-wide real property inventory reporting. Data elements for property records in FBMS include key fields on the number, size, location, use, type, occupants, and age of the assets. FBMS will be the system of record for the 23 Federal Real Property Council (FRPC) data elements developed by the FRPC which DOI and other Federal agencies will report for their real property assets. Inventory data for DOI constructed assets (i.e., those maintained by DOI) will be uploaded to FBMS from the Facilities Maintenance Management System (FMMS), which will be a standardized single platform solution for facilities management, The Facilities Maintenance Management System (FMMS), which will be a standardized single platform solution for facilities management, will utilize the MAXIMO™ Enterprise Adapter. The MAXIMO™ Enterprise Adapter, which is compatible with the SAP software used for FBMS, will enable a single point of interface between the two systems, increasing efficiency and cost savings.

Because of the integration of financial and asset management functions within FBMS, the real estate module will directly accrue all financial information associated with a facility, asset, or rental unit, including labor, contracts, rental income, materials, supplies and utilities. In addition, once the interface with the single level FMMS is complete, the system will be able to collect all costs associated with work orders generated in FMMS.

This capability will allow DOI to understand and provide a brief description of each owned and operated asset, current use, location, major subsystems and components, and other general information. The extent of information required will be appropriate to the size of the investment, management, and reporting requirements. This information will be required for new assets that are evaluated as part of portfolio management.

The extensive inventory of DOI-owned and GSA-provided fleet vehicles and heavy equipment will also be maintained and managed within FBMS. Using FBMS as a tool, for fleet, DOI will continue to report its inventory through GSA's Federal Automotive Statistical Tool system (FAST). FBMS will also enable DOI to continue to use the Exhibit 54 to report its rented space inventory and budgetary requirements.

2.3.1.3 Asset Condition

DOI has developed, is using, and will refine asset condition assessment processes that rigorously support the best possible investment strategy for improving and maintaining the portfolio. The condition assessments identify and validate the condition of facilities and lead to the identification of maintenance needs. This tool assists managers in establishing maintenance schedules, estimating budgetary requirements for cyclical and deferred maintenance.

The condition assessments integrated with the use of FMMS will create the ability to plan, schedule and conduct maintenance and to properly define the scope and cost of repair, improvement, replacement operations, recurring and preventive maintenance (condition assessments should ideally be conducted as an integral part of preventive maintenance activities) and component renewal activities in the future.

Comprehensive assessments may include examination of assets for issues related to non-functioning building components and equipment, accessibility, deferred maintenance, historic preservation, structural fire, energy conservation, environmental code and life safety code compliance. The desired end state for the condition assessment program with FMMS is to facilitate integrated, collaborative data collection that provides information on all necessary facets of management requirements for the asset.

DOI is developing standardized practices to estimate the costs of repairing asset deficiencies as documented during the condition assessment phase. Either contractors or internal bureau staff will perform the assessments depending on the level of expertise required. Wherever possible, the DOI standardized practices will use industry-accepted cost estimating guidelines, such as R.S. Means or Whitestone Research. Continual value-added industry standard assessment efficiencies of various classes of assets will be incorporated by the DOI to affect frequencies, relative risk, levels and costs.

The relative condition of owned assets will be measured using the Facility Condition Index (FCI), which is an accepted industry metric for determining the relative condition of assets. The deferred maintenance costs developed from the condition assessment process are divided by the asset replacement cost to calculate the FCI. The FCI will be used with a fully developed DOI-wide asset priority index (API) that rates each existing or proposed owned and leased asset in the inventory based on its importance in carrying out the DOI mission and achieving strategic goals. (See Section 10 of the AMP for the list of other sections in this document that discuss FCI and API.)

To achieve this result, the Department is working to:

- Adapt industry-based performance measures for portfolio management of owned and leased assets;
- Utilize a common FCI scale by asset type for overall condition rating; and
- Coordinate with leasing authorities to establish appropriate performance measures.

2.3.1.4 Asset Valuation

The use of the Current Replacement Values (CRV) for assets, including those that are considered to be heritage, is only for the purpose of calculating the FCI, which is an indicator of the asset's condition and serves as a performance measure for condition improvement. In doing so, the CRV on these assets, including those that are heritage, is based on functional replacement and does not include intrinsic values; overall CRVs on all assets should not be used for any other purpose (i.e., appraisal value, reproduction value, acquisition costs for capitalization and depreciation, etc.).

CRV is defined as the standard industry cost and engineering estimate of materials, supplies, and labor required to replace a facility or item of equipment at its existing size and functional capability, and to meet current regulatory codes. DOI will refine its capability to evaluate each owned and operated asset to determine its CRV. CRV policies for heritage assets will be developed with input from DOI cultural resource specialists and other appropriate discipline experts.

2.3.1.5 Improving the Condition of the Asset Portfolio and Properly Sustaining It Over Time – Life Cycle Management

The Department's portfolio approach to asset management is based on life cycle principles that include acquisition, sustainability, and disposal where appropriate. The Department and bureaus utilize five year plans to prioritize and budget for component renewal, cyclic maintenance, and annual operations costs based on life cycle needs to allow forecasting annual funding requirements. FMMS provides the system support to manage these processes at the individual facility and complex level. In addition, the Department's Capital Planning and Investment Control (CPIC) process, discussed in Sections 2.3.2 and 2.3.3, incorporates a Departmentwide, national review of major investments. (See Section 10 of the AMP for the list of other sections of this document that discuss CPIC.)

With deployment of FBMS, the tools available to asset managers will significantly improve. FBMS and FMMS business tools will work together to facilitate the determination of these life cycle needs. Procedures will be developed to specify whether the life cycle costing applies to asset life cycle or component life cycle. Sustainment strategies should identify operations and maintenance costs, disposal costs, equipment replacement needs, and component renewal costs. FCI and API are important components already available to Interior in implementing and executing an asset management planning process that incorporates life-cycle principles.

Departmentwide standards will be developed to guide Interior and bureau-level scoring processes and will reflect the mission of each individual organization. API scores fall within a 0-100 point scale. Mission dependency and operations criteria comprise 80 percent of the total weight. Asset substitutability equals 20 percent.

The move to incorporate API into the Department's life cycle and portfolio-based approach will ensure that the highest priority mission critical assets are incorporated into the five-year plans. This system will maximize spending upon bureau mission critical assets at the most important periods in the assets life cycle. Under this procedure, bureaus will first sort assets into four categories, high API/good FCI, high API/poor FCI, low API/good FCI, and low API/poor FCI:

- Assets with high API and good FCI should be maintained with practices that protect the government's investment;
- Assets with high API and poor FCI should be considered for demolition and replacement. If the asset's API is high principally because another asset cannot be substituted for it (e.g., an historical significant asset) repair and rehab activities will be the priority;
- Assets with low API and good FCI should be considered candidates for transfer or beneficial use by other parties; and
- Assets with low API and poor FCI should be considered for disposal.

These indices will be used to determine the prioritization for projects to be included in DOI's Five-Year Deferred Maintenance and Capital Improvement Plan. This will accomplish the following:

- Assist in directing resources where they are needed most, based on mission need and strategic goals;
- Assist in identifying lower priority assets that should be considered for excess if they no longer support the DOI mission;
- Effectively manage the life-cycle of every asset;
- Assist in maturing the Department's focus from project formulation and execution to one of life-cycle asset management where the planning focus is not about projects and project funding, but rather the effect the project will have on the asset throughout its life-cycle; and
- Adopt and utilize other performance measures that will enhance the Department's ability to be predictive regarding future management of the asset portfolio, e.g., component renewal index (CRI) and/or dollar per square foot ($/SF) for operations and maintenance.

The implementation of the DOI AMP incorporates the five critical focus categories defined above into a cohesive process that will evolve and mature. DOI will begin to incorporate these principles into its current processes for decision-making in order to prioritize, plan, and manage the life-cycle of all assets that comprise the Department's asset portfolio.

2.3.2 Current Decision-Making Process

In most of the Department's bureaus, real property asset management decisions are made in a hierarchical process that starts at the local field office level, is reviewed and prioritized a the regional level, and is reviewed and prioritized at the national level. Investment review and prioritization at each of these levels results in the formulation of five year plans. These plans set the framework for decisions about funding levels for projects and program.

The DOI Information Technology and Construction Capital Planning and Investment Control Guide, Version 1.0 at http://www.doi.gov/pam/cpic/ provides the framework for this process and guidance on thresholds for construction projects. Decisions to recommend construction projects between $2 and $10 million are made at the director-level of the bureaus. Projects above $10 million, or other special interest projects, are made at the highest levels within DOI. See Section 3.1.1 for additional details on capital planning for major projects.

Each bureau and the Department have Investment Review Boards (IRB). The Development Advisory Board (DAB) within NPS and the Bureau Investment Review Board (BIRB) within BIA are examples of executive-level investment committees that decide which major/prospective capital investments should be recommended for funding consideration. In the bureaus, regional or local leadership is responsible for managing the day-to-day operations and for shaping reinvestment decisions for the real property assets in their portfolios.

IRB membership includes representation from throughout the Department or bureau including mission programs, acquisition, budget, planning, construction, space, fleet, human resources and other areas to ensure a balanced and enterprise approach to investment decisions. The use of the broad based group ensures full engagement at the management level and decision making that considers mission support needs and strategic goals of the organization.

The bureau IRBs report to the bureau or office head or deputy head that approves projects and plans. The bureau IRBs are chaired at a level no lower than the Bureau's Senior Asset Management Officer. Accordingly, the bureau IRBs make funding recommendations on proposed projects and current space investments to the bureau heads.

The Department utilizes IRBs at the technical, managerial and policy levels including the Asset Management Team that is chaired by the DOI Senior Real Property Officer, the Management Initiatives Team that is chaired by the Assistant Secretary – Policy, Management and Budget and the Management Executive Council that is chaired by the Secretary or Deputy Secretary. These Department-level IRB responsibilities include setting performance goals and assessing how well investments meet the goals, as well as addressing identified strategic and mission needs.

IRBs review the investment portfolio and make decisions using the five-year plans and exhibit 300s that are the basis for the annual budget request. Decisions are made considering the mission related needs, strategic goals, return on investment, cost and schedule, etc. The following chart depicts the roles and responsibilities of the IRBs.

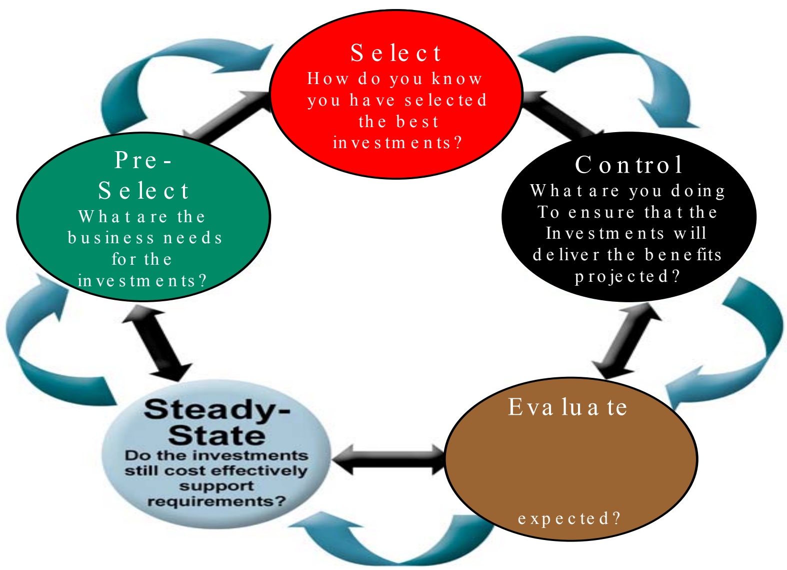
Investment Review Boards	Primary Responsibilities
Secretary ——— Management Excellence Council	• Decide Approval/Disapproval • Consider Appeals of MIT Decisions
Management Initiatives Team (MIT) Asset Management Team (AMT) , an MIT Sub-team (The Asset Management Partnership and the Asset-Specific Partnerships/Working Groups provide staff support to the AMT)	• Develop Investment Strategy • Validate Major Project Scoring • Certify Portfolio • Resolve Duplication • Project Integration Opportunities • Recommend Approval/Disapproval • Review Exhibit 300 • Score Projects • Prioritize Portfolio • Oversee CPIC Process
Bureau Heads ——— Bureau Investment Review Boards	d review Exhibit 300s • Identify Project Integration Opportunities • Oversee Individual Investments and Portfolio • Oversee CPIC Process

2.3.3 Moving to Portfolio-based Decision-Making

DOI actively manages a portfolio of capital investments in order to maximize the return on investment to the taxpayer and Government at an acceptable level of risk. The AMP outlines the process whereby DOI is moving from a current reliance on a project-based review process to a life-cycle, asset-based portfolio management process. Effective capital planning within DOI requires improved long range planning and a disciplined budget process as the basis for managing a portfolio of assets to achieve performance goals and objectives with minimal risks, lowest life cycle costs, and greatest benefits to the business of the bureaus and the Department overall.

The Department has developed and continues to refine its approach to establishing a more consistent, structured, performance-based, integrated approach to its Capital Planning Investment Control (CPIC) process. As DOI's portfolio-based approach matures, the Department and the bureaus will continue to improve their ability to manage risks and returns of capital assets throughout their life cycle necessary to ensure that DOI's investments are well conceived, cost-effective, and support strategic mission and business goals. The analysis of these investments is a living tool that will be continually revisited, refined and updated. It is articulated in a business case, the extent of which is commensurate with the cost and impact of the investment on the organization and mission.

Within DOI, the CPIC objectives are achieved through the five phases noted in the CPIC process as depicted in the following diagram; pre-select, select, control, evaluate, and steady-state.



The executive governance structure is the cornerstone of the Department's CPIC process and for managing and assigning accountability for the life-cycle of the portfolio of assets and the individual assets that comprise the portfolio. The governance structure is multi-tiered, comprised of bureau and the Department's IRBs.

Governance relies on the following activities:

- Identifying project integration opportunities – resource sharing, co-location opportunities;
- Ranking/prioritizing projects in multi-year plans;
- Overseeing and monitoring the process for managing the portfolio of individual assets; and
- Establishing portfolio investment strategy, and performance objectives and goals.

As part of the governance process, the bureaus have flexibility in the design of their internal CPIC process, but must assure that needs have been analyzed and evaluated by their IRBs. The bureaus' IRBs support the criteria and performance goals defined by the Secretary and the

Department executive IRB and establish bureau-specific criteria and goals that complement and support those of the Department. The criteria and goals will be used when making investment decisions.

The bureau IRB approves those investments that best meet bureau needs. Individual project proposals are assessed and prioritized. On at least an annual basis and in line with Departmental budget planning and CPIC guidance, proposed projects are:

- Reviewed by the bureau IRB and submitted for the consideration of the bureau head;
- Approved or disapproved by the bureau head and, as appropriate, the multi-year plan is revised with bureau heads certifying project approvals and strategic plans; and
- Forwarded by the heads of bureaus and offices to the Department's IRB when deemed major including projects with a life-cycle cost of over $10 million, projects that are at high risk (e.g., may exceed budget, schedule, and/or scope), and projects that are of unique interest to the Secretary, OMB and/or the Congress.

Departmental governance in the planning and budgeting phase generally focuses on:

- Convening of IRB meetings to review and recommend portfolio priorities, based on the five-year plans;
- Identifying and overseeing major Departmentwide or multi-bureau ongoing projects relative to cost and schedule, investment decisions on acquisitions and portfolio strategies, performance, outcomes and criteria;
- Conducting IRB and Secretary's review and approval of IRB portfolio recommendations;
- Providing feedback on the portfolio to reflect approved individual major project asset acquisitions (OMB Exhibit 300s) and overall Five Year Plan with major and non-major projects; and
- Approving the portfolio of investments that will be submitted to OMB as part of the annual budget request, and to report milestone changes.

Utilizing tools including FBMS, FMMS, CPIC, API and improved asset management guidelines, DOI is shifting from project funding to a portfolio-based approach, with a much stronger emphasis on life-cycle management; where the planning focus is on asset investments, whether owned or leased, rather than just project formulation and project execution. The bureaus' IRBs identify project integration, and space co-location and consolidation opportunities to score and rank investments and for multi-year planning. This shift is occurring during a transition period and involves extensive management commitment.

DOI will facilitate this transition through the use of a full suite of tools relating to asset priority, asset inventory, asset condition, asset valuation, and life-cycle management. DOI will use these tools and develop metrics to be implemented at the field, regional, bureau headquarters and Departmental levels to improve the performance of individual assets and the overall asset portfolio**.**

By building on the current best practices and proven CPIC processes used throughout DOI (i.e., the Five-Year Deferred Maintenance and Capital Improvement Plan, capital planning and governance through IRBs), an enhanced portfolio management process will better ensure that each bureau and Departmental-level IRB collectively analyzes and compares all investments and proposals to select those that best fit with the strategic business direction, needs, and priorities of the bureau. In addition, DOI will have practical limits on funding, the risks it is willing to take, and the length of time for which it will incur costs on a given investment before benefits are realized.

To address these practical limits, portfolio management will use categories to aid in investment comparability and cost, schedule, benefit and risk oversight. Once all investments within the portfolio are categorized, investments and proposals can be compared to one another within and across portfolio categories.

Portfolio management is an integral component of the CPIC process; however, portfolio management cannot be accomplished without first establishing an investment foundation. Building an investment foundation, using a maturity model such as the General Accountability Office's Information Technology Investment Management maturity model as described in GAO/AIMD-10.1.23, requires that DOI first establish asset investment management processes to ensure:

- An investment is selected based on established selection criteria;
- An Investment proposal is business driven;
- IRB establishes and maintains an asset inventory of current investments; and
- IRB oversees these investments.

With maturity and experience in establishing an investment foundation, DOI can move forward with developing a complete investment portfolio. Based on the GAO model cited above, the DOI asset portfolio is based on:

- Ensuring the alignment of the various IRBs;
- Developing portfolio selection rating, and ranking criteria that supports DOI mission and strategic goal;
- Conducting continuous analysis of each investment at every phase of it's life-cycle;
- Developing portfolio performance measures; and
- Strengthening the analysis of investment proposals to incorporate, in a more consistent fashion, the degree that investments support mission and business needs and goals.

During this transition to a portfolio-centered approach, the CPIC process at the individual investment level will continue to consider underlying assumptions; the alternatives considered; a full range of costs and benefits; and the potential risks to their organizations. This analysis ensures that the objectives are clearly defined and performance goals are established, and includes the life-cycle costs of proposed assets, which includes the costs of operations and maintenance as well as any other operational requirements resulting from the investment decision.

As part of its analysis process, the DOI will include, where appropriate, the evaluation of ways to abandon, disengage, or exit from facilities investments and include disposal costs in facilities life-cycle cost to help select the best solution to meet the requirement. Through DOI's performance based system for all employees there is an organizational and individual linkage of accountability, responsibility, and authority when making and implementing facilities investment decisions.

2.4 Asset Management Objectives

DOI has established a set of objectives specific to assets that comprise its portfolio. These objectives will be used to establish a strategy to manage and oversee DOI-owned and leased assets to maximize their contribution toward accomplishing the Department's diverse missions. These objectives include:

- Aligning investments with strategic missions and business goals and outcomes;
- Ensuring adherence to Federal and Departmentwide investment life-cycle management principles and standards;
- Instituting consistent Departmentwide objectives, goals and performance measures;
- Analyzing baseline information;
- Evaluating, prioritizing, acquiring, managing and disposing of owned and leased assets based on a range of current and future business, technical and workforce issues and factors and strategic goals;
- Balancing the value of the asset portfolio and individual assets with current and potential risks;
- Seeking sound, efficient, and effective solutions to address asset management needs;
- Maximizing return on investment for the cost of operating and maintaining assets; and
- Incorporating planning and management requirements for historic property under E.O. 13287 of March 3, 2003, and for environmental management under E.O. 13148 of April 21, 2000.

These objectives are driven by increasing demands for accountability and associated reporting requirements; the need to link asset decisions to mission support, strategic goals and cost benefit considerations; the need to share information and gain economies of skill; and ever increasing demands by the public for access to heritage assets. They are the foundation for developing a portfolio or asset level strategy. DOI's asset management framework involves understanding and balancing customer and mission requirements and the need to maintain condition/performance of its assets with fiscal discipline and resource considerations.

Bureau missions and program variations have resulted in the bureaus developing and operating separate efforts that respond to Departmental standards. Changing circumstances, including recent legislation, administration initiatives, new technologies, and anticipated budget constraints, has resulted in the DOI Asset Management community adopting this Departmentwide AMP. Bureau-level AMPs will be written to support mission accomplishment for the eight bureaus, but will be guided by the Department's AMP.

2.5 Asset Management Tools

Two cornerstone systems that support implementation of DOI's AMP are the Financial and Business Management System (FBMS) and the Facility Maintenance Management System (FMMS). FMMS is a tool to improve the efficiency of the day-to-day life-cycle management, while FBMS will provide the financial and business management information associated with facility assets. These systems will be electronically linked in order to share data and streamline data gathering and reporting.

The consolidation of many independent information systems into two electronically linked systems provides improved efficiencies that will allow DOI to make better decisions on the management of DOI's portfolio of assets. Executive Order 13327 requires the development of a national database to track and share information on real property assets. DOI will work closely with the Office of Management and Budget (OMB), General Services Administration (GSA) and the rest of the Federal community to coordinate DOI systems with the proposed national system.

2.5.1 FBMS

Access to accurate and timely financial and property management information from the FBMS will provide an improved opportunity to fully manage all DOI owned and leased assets. FBMS is a single integrated tool that will help Interior's bureaus manage their many unique missions. An integrated web-based suite of software applications, FBMS will manage a variety of administrative functions, including: Budget Formulation, Budget Execution, Personal Property, Real Property, Fleet, Core Financials, Acquisition, Travel, Financial Assistance, and Enterprise Information Management. By improving financial and business processes and incorporating state-of-the art technology, FBMS enables DOI to become a more effective and efficient business management organization. As a web-based computer tool, it allows information to be entered and queried at any level of the organization.

FBMS is the official repository of information on property owned or leased by the Department. Each item is assigned a unique property identification number and all financial transactions throughout the life of that asset are associated with that number. All transactions are electronically stored in a manner that preserves an audit trail. The application will contain all fields necessary for DOI's financial statements and government-wide real property inventory reporting. Data elements for property records in FBMS include key fields on the number, size, location, use, type, occupants, and age of the assets. FBMS will include the 23 key data elements required by the Federal Real Property Council which each agency will report for each of its Real Property assets.

From the standpoint of managing real property, the strength of FBMS lies in its integrated approach to tracking inventory/ownership information and relating it to financial management. Additional advantages for management of real property are provided through linkage of FBMS to a leading commercial maintenance management software system designated the FMSS.

2.5.2 FMMS

The deployment of a standardized FMMS is the cornerstone to DOI's efforts to better manage its owned and operated facilities. It builds on the financial management strengths inherent in FBMS by adding a robust capability to manage data on the condition, maintenance, and improvement of real property assets.

The FMMS is an important tool for managing facility assets Departmentwide with a focus towards improving the overall condition of the constructed assets and assuring better allocation and utilization of the limited resources dedicated to operating and maintaining these assets. The FMMS will better enable DOI to provide accurate and timely information to the Office of Management and Budget (OMB), the Congress, and the public regarding the condition, repair, and improvement of real property assets.

In FY 2001, the Department adopted MAXIMO™ as the software for DOI's FMMS. MAXIMO™ is currently being used by BLM, Bureau of Reclamation (BOR), USGS, FWS, NPS, BIA (Irrigation Projects and Safety of Dams) and NBC (for facilities maintenance management of the Main and South Interior Buildings in Washington, D.C.) Initially, bureaus were allowed to implement the system with bureau specific configurations and platforms. The bureaus accomplished this while continuing their compliance with Departmental standards for data requirements and business practices.

In a memorandum of August 17, 2004, from the Assistant Secretary – Policy, Management and Budget, the Department was directed to implement a MAXIMO™ Departmental single platform configuration to increase standardization, reduce operating costs, and enable the development of a single interface with FBMS. The latest release of the fully web-based version of MAXIMO™ software makes it possible for Interior to operate with a single platform solution. This will result in better control of data standards, easier analysis of Department-wide asset information, and provide a more efficient and effective interface between DOI's FMMS and the Financial and Business Management System (FBMS).

Bureaus are currently transitioning to a new single platform MAXIMO™ application that is being phased concurrent with the phased implementation of FBMS. FMMS in its new single platform configuration will be implemented in the Bureau of Land Management, the National Park Service, and the Fish and Wildlife Service in FY 2007 and in the rest of DOI in FY 2008.

2.6 Environmental Auditing and Environmental Management Systems

Environmental compliance remains a high priority for the Department and each bureau/office is responsible for developing and implementing its own environmental auditing and environmental management system (EMS) program. Environmental auditing is the systematic, documented, periodic, and objective review of facility operations and practices related to meeting environmental compliance. Departmental Manual Chapter 515 DM 2 requires Bureau and Offices to conduct environmental audits of their facilities.

Environmental auditing is an integral part of an EMS program. EMS is a management tool that assists in achieving continuous improvement of environmental goals and is required by Executive Order 13148, "Greening the Government through Leadership in Environmental Management." EMS's reduce an organization's environmental "footprint" by promoting continuous environmental improvement in its day-to-day activities and are required by Department Manual Chapter 518 DM 4. Furthermore, in response to the President's Management Council Compliance Initiative Recommendations, the Secretary issued a Secretarial Memorandum to all employees in August 2003, on improving environmental compliance and performance through environmental management systems implementation.

2.7 Human Capital, Policy and Decision-Making Initiatives

DOI supports a number of programs and has begun a number of initiatives to improve the competency of the workforce, policy and decision-making and governance. The following are the key initiatives and the target dates (quarter by fiscal year) for completion.

The Department of the Interior will:

- Undertake mission needs analysis/gap analysis to evaluate and compare the resource requirements necessary to implement the AMP. Q1 '06

- Revise the DOI CPIC guide to address the life-cycle period in determining the full cost of each type of asset covered in the AMP. Q1 '06

- Develop API framework, criteria, and weighting to guide Department and bureau-level scoring processes that reflect the missions of each individual organization. Q4 '05

- Include FRPC's 23 key data elements in the DOI asset inventory as follows:
  - 19 Static Elements in Q1 '06
  - 4 Dynamic Elements:[3]
    - Utilization Q1 '06
    - Mission Dependency Q2 '06
    - Condition Assessment Q4 '06
    - Operating and Maintenance Cost (data to be derived upon full implementation of FBMS) Q4 '06

- Issue Departmental policy to standardize the practice of estimating the cost of repairing asset deficiencies as documented during the condition assessment phase. Q2 '06

- Issue Departmental policy on evaluating owned and operated assets to determine its CRV. Q2 '06

- Issue Departmental policy on improving the condition of the asset portfolio and properly sustaining it over asset life cycle or component life cycle. Q2 '06

- Expand the Draft Facility Management Workforce Plan to be consistent with the DOI Human Capital Management Plan. Q3 '06

3. PLANNING AND ACQUISITION OF REAL PROPERTY

During the acquisition phase, DOI translates mission needs into discrete requirements, marshals the necessary resources to acquire assets that meet requirements, and receives the assets. Several of the bureaus with the largest number of assets develop planning documents for each management unit with significant public participation and input. These documents, in addition to stating the mission of the management unit, include identification of the needed structures on the land, such as visitor centers, employee housing, and maintenance shops that are necessary for the successful operation of the unit. For instance, BLM develops Resource Management Land Use Plans/Special Area Management Activity Plans, FWS develops

[3] Waivers will be requested from OMB for performance metrics (mission dependency, condition assessment and operating and maintenance cost) that can not be reported for all contructed assets by Q1 '06.

Comprehensive Conservation Plans for National Wildlife Refuges, NPS develops General Management Plans, and Bureau of Reclamation (BOR) develops a variety of Resource Management Plans.

When a space requirement is received or developed, DOI and bureaus attempt to use Government-owned assets first before seeking to add new square footage to the federal inventory. If there are no suitable solutions using an existing Government asset, DOI has several acquisition alternatives such as lease a new asset from the private sector, buy or transfer an existing asset, or build a new Federal asset.

To determine the most appropriate acquisition approach, DOI considers a variety of criteria including:

- How many assets are needed;
- How quickly the asset is needed;
- How long the asset is needed;
- How specialized is the asset; or
- How is the environmental condition of the asset?

Additionally, DOI considers mission-fit and the long-term total cost of ownership. Because so much of the Department's mission is tied to the management of land and resources, asset acquisition decisions must take into account suitability and location of facilities to support resource management and long-term management requirements. Each of these factors has a significant impact on the alternatives and feasibility of the project acquired either by construction, purchase, transfer, or leasing.

By evaluating these factors, the Department can determine the acquisition method and incorporate appropriate planning models to meet the needs of the Department.

3.1 Capital Plan for Major Projects

There are several ways to meet space requirements for the Department. This section discusses planning methods for acquiring new construction, repair and alterations, and leases for major projects. To determine which acquisition method would be most cost effective and suitable to meet DOI's requirements, the Department is following the CPIC methodology, as discussed in Sections 2.3.2 and 2.3.3, that includes an alternatives analysis. This process allows the Department to compare the present value cost of buildings by repair and alteration, new construction, and lease alternatives.

The CPIC process provides the framework for the planning, prioritization, and decision making for acquisition and construction of major assets. Through this process major projects are evaluated and based on investment review board decision making incorporated into the budget request.

For all owned and managed assets, the Department reports annually through the five-year plan its anticipated budgetary requirements and plans for construction and maintenance by site. Consistent with OMB requirements, the Department completes GSA FAST reporting annually to complete an inventory of fleet, reporting on the number of vehicles in the inventory, the number planned for purchase, leasing, and disposal. The Exhibit 54, required by OMB, reports annually, on the Department leased space inventory, the outyear budgetary requirements and expansion plans, and related support costs.

DOI's Office of Policy, Management, and Budget plays a key role in securing the necessary resources to maintain current real property assets, acquire new or replacement assets that meet the evolving needs of the agency, and preserving the historical and cultural assets placed in DOI's care.

3.1.1 New Construction of Major Projects ($2 Million and above)

The program for new construction addresses requirements serving a Federal need that cannot be readily met with existing Federal assets or assets available in the private sector. DOI's Five-Year Deferred Maintenance and Capital Improvement Plan is used to prioritize capital projects for repairs, alterations and new construction.

The Department follows the requirements for capital asset planning with a CPIC process that considers investments at the bureau and Department level. Currently, DOI requires capital or major construction projects, having design and construction costs greater than $2 million, to be reviewed and approved by a bureau IRB. Projects over $10 million in design and construction, or that meet other significant criteria defined in the DOI Information Technology and Construction Capital Planning and Investment Control Guide, Version 1.0, must be reviewed and approved by both bureau and the Department's IRBs.

Project sponsors prepare a business case in the form of an OMB Exhibit 300. The business case is evaluated through the bureau governance process. For major projects over $10 million, the business case is evaluated through the bureau and Departmental governance process.

The threshold for construction of building and structures is currently being re-evaluated and other asset categories including leased assets and fleet will be established. Thresholds will reflect acquisition, operation and maintenance and disposal costs attributed to an asset.

The Department has followed and refined its CPIC process for constructed assets. DOI is continually improving its CPIC process and supporting procedures to create a structured, rigorous and repeatable process for managing portfolios and assets throughout their life-cycle. The current process for construction projects has yielded useful results in the selection of projects. DOI will place enhanced emphasis on tracking projects' earned value as a critical measure to ensure they are within budget, schedule and scope. A quarterly reporting tool will help management at all levels to better track the progress of ongoing projects.

DOI's CPIC policy will be re-evaluated to address the life-cycle period in determining the full cost of each type of asset covered in the AMP. DOI will establish CPIC review requirements for facility projects, whether they are constructed, leased, GSA-assigned, purchased, or received through donation or transfer. Central to the CPIC review of projects is multi-year strategic planning for new major construction projects that emphasizes the organization's mission, goals, objectives, and resources necessary for achieving the organization's objectives.

Strategic planning through the DOI Five-Year Deferred Maintenance and Capital Improvement Plan satisfies the organization's requirements and positions the portfolio to meet mission needs. The primary objectives of strategic planning within DOI are to:

- Align projects with strategic missions, business goals, and outcomes within an enterprise (Departmentwide) portfolio;
- Establish the long term direction to be followed by the bureaus and the Department for making sound investments and cost effective use of constructed assets in support of missions and programs;
- Serve as the basis for requests to OMB for funding necessary to support mission and program needs; and
- Ensure the workplace environment meets employee needs and contributes to greater productivity.

Bureaus have flexibility to design their strategic planning process to embody qualities such as the following:

- Rigorous, repeatable, and documented;
- A continual analysis of needs and the exploration of alternatives through collaborative efforts;
- Governance through chartered IRBs; and
- Meets the provisions of the Information Technology and Construction Capital Planning and Investment Control Guide, Version 1.0 and Attachment G, “Facilities Deferred Maintenance and Capital Improvements,” of DOI’s annual budget planning guidance.

Planning provides managers at all levels Departmentwide, the foundation for successful portfolio management and the acquisition of new major construction projects. New Departmental emphasis is on a more robust, inclusive CPIC process. Combined with new procedures in bureaus to evaluate partnership and other unique project requirements, the planning process reflects:

- Close coordination of program sponsors and managers, project managers, space portfolio managers, and senior management including the heads of bureaus;
- Participation of subject matter experts from key functional areas such as planning, budget, human resources, contracting, facilities and property management, legal, safety, security, information technology and the environment in the planning and decision-making process; and
- Governance by mid-level managers and senior executives Departmentwide through their participation on bureau and Departmental IRBs.

Collectively managers at all levels and subject matter experts, through their collaboration and cooperation, are integral to the success of DOI’s portfolio management process. They apply sound business practices to the planning, acquisition, operation, maintenance and disposal of capital investments, and ensure compliance with guidance from Congress, OMB, the GSA and the Government Accountability Office (GAO). In planning and budgeting for new projects, managers ensure that projects align with strategic and mission needs, develop project proposals, and incorporate projects into the multi-year planning process.

The Department, in close collaboration with the bureaus, is working to significantly strengthen capital planning in several areas. Efforts are being initiated to better ensure that managers:

- Link projects to mission through the use of tools such as the API;
- Evaluate a range of alternative approaches (i.e., construct/purchase vs. lease; dispose of current asset vs. retain and repair) to meet strategic and mission needs;
- Project space needs and develop an estimate of costs and benefits (both quantitative and qualitative) that will be realized by a project;
- Explore the Department's inventory, seeking opportunities to meet needs through co-location and consolidation;
- Address several factors that can have a bearing on benefits, cost, risk and schedule associated with a specific proposal such as security, environmental, safety/health, contingency planning, optimal space utilization, telecommunications, information technology, green technologies, energy use, utilities, historic preservation, Americans with Disabilities Act and Architectural Barriers Act (accessibility) requirements, preliminary market surveys; and move and relocation costs;
- Account for likelihood of risks identified in the risk assessment occurring, the severity of those risks and the mitigating actions necessary to resolve risks;
- Coordinate with bureau portfolio managers, planners, budget officers, human resource personnel and other subject matter experts;
- Assemble integrated project teams comprised of program managers and stakeholders to perform due diligence to determine the best way to meet the agency's mission needs using feasibility studies, historical data, industry best practices, cost/benefit analysis, and risk analysis (for example) to develop project scope and budget; the project team prepares quality project data sheets and Exhibit 300s to document the general requirements for each proposed project;
- Incorporate the operations and maintenance costs into the project proposals; and
- Address the requirements of projects conducted in concert with partnerships.

3.1.2 Repair and Alterations Major Projects ($2 Million and above)

Prior to the submission of projects into the '5-Year Deferred Maintenance & Capital Improvement Plan', assets in the portfolio had been considered for their importance and contribution to mission. Life-cycle decisions were made to maximize the effectiveness of available maintenance and repair funding. This was done through many different means by the local Field Operating Unit Managers. There was no codified standard ranking system, but many bureaus implemented in-house decision-making and priority setting processes as their business practice. Although ranking projects based on critical health and safety, resource protection, and critical mission served DOI well, it was a project-centric focus.

Under the current process for developing the Five-Year Deferred Maintenance and Capital Improvement Plan, bureaus rank and prioritize projects with highest emphasis on critical deferred maintenance needs in health and safety, resource protection, and bureau mission. Projects involving critical health and safety components of work are coordinated with the bureaus' safety managers. New capital improvements not concerned with compelling health and safety or resource protection needs are only funded in exceptional situations. The bureaus perform the analysis and develop the projects for submittal to the Office of Budget and the Office of Acquisition and Property Management for inclusion in DOI's Five-Year Plan.

To provide greater consistency DOI-wide, projects are ranked using a weighting process based on the percentage of the work (total project dollars) that falls in each of the following categories. The weighting factors to be applied are:

- Critical Health and Safety Deferred Maintenance (CHSdm) 10
- Critical Health and Safety Capital Improvement (CHSci) 9
- Critical Resource Protection Deferred Maintenance (CRPdm) 7
- Critical Resource Protection Capital Improvement (CRPci) 6
- Critical Mission Deferred Maintenance (CMdm) 4
- Compliance and Other Deferred Maintenance (C&Odm) 3
- Other Capital Improvements (Oci) 1

Based on these weight factors, projects are to be ranked using the following calculation:

- (%CHSdm x 10) + (%CHSci x 9) +(%CRPdm x 7) + (%CRPci x 6) + (%CMdm x 4) + (%C&Odm x 3) + (%Oci x 1) = TOTAL SCORE

NOTE: The total of the percentages for a project must equal 100% and not exceed it.
This ranking formula is designed to accommodate all types and sizes of projects, from the simple to the complex. It places the highest priority on facility-related Critical Health and Safety and Critical Resource Protection deferred maintenance needs in that order. Capital improvement projects that eliminate substantial amounts of deferred maintenance receive a higher rank score than projects that do not address deferred maintenance needs.

As bureaus reduce the accumulated deferred maintenance in these categories, funding is directed to lower priority deferred maintenance and new capital improvement projects. Complex projects, including many items of work involving both maintenance and capital improvements, can have portions of the project in several of the ranking categories. Smaller, less complex projects may include work in only one or two of the ranking categories. For example in a Project Description, the rehabilitation is to correct critical health and safety deficiencies by:

- Providing a fire alarm system which is currently lacking for the new headquarters office annex building;
- Providing fire suppression systems for storage rooms in the old headquarters office building;
- Installing a fume hood;
- Installing an eye wash station; and
- Complying with the requirements for the National Electrical Code, the project includes replacing and repairing the portions of the electrical system in the old headquarters office building.

The percentage of this project in the categories might be 70% CHSdm and 30% C&Odm. The project's TOTAL SCORE would be (70 x 10) + (30 x 3) = 790.

Additional detail about DOI scoring is provided in Attachment G, “Facilities Deferred Maintenance and Capital Improvements,” of the annual DOI Budget Guidance. Major Repair and Alterations Projects are reviewed and those with a strong business case are approved by bureau IRBs. These projects meeting the Department threshold for major projects are reviewed by the Departmental IRB.

The bureaus rank projects that are subject to further scrutiny from the bureau IRBs and bureau directors based upon technical sufficiency, financial viability, agency considerations and consideration to carry out socio-economic-environmental responsibilities. Once the final project rankings are established, the budget submittal is completed based upon the amount of funding that is available. Remaining projects will be prioritized for submittal the following year, or alternative methods of meeting the need, such as leasing, will be explored.

With the move to a life-cycle and portfolio-based approach, DOI is establishing an enhanced ranking capability that will build upon a mission focus ranking process, using API and FCI to allow the highest mission critical assets to be recognized in conjunction with the project ranking system. Life-cycle decisions will be made to maximize the effectiveness of available maintenance and repair funding. This system is necessary to optimize spending upon a bureau's mission critical assets at the most important periods in the asset life cycle. Under this procedure, bureaus will first sort assets into four categories, high API/good FCI, high API/poor FCI, low API/good FCI, and low API/poor FCI:

- Assets with high API and good FCI should be maintained with practices that protect the government's investment;
- Assets with high API and poor FCI should be considered for demolition and replacement. If the asset's API is high principally because another asset cannot be substituted for it (e.g., an historical significant asset) repair and rehab activities will be the priority;
- Assets with low API and good FCI should be considered candidates for transfer or beneficial use by other parties; and
- Assets with low API and poor FCI should be considered for disposal.

Proposed projects for assets that should be retained and maintained would then be subjected to the rankings based on critical health, resource protection, and critical mission. A prototype of this priority-setting methodology will be tested for the FY 2007 budget.

3.1.3 Acquisition of Major Leases

Through a Departmentwide Space Management Initiative, DOI is analyzing and recommending actions to strengthen policy, management and governance of the portfolio of owned and leased office and warehouse space. DOI expects to achieve significant savings through improved management of direct leases and efforts to co-locate offices and consolidate space. In anticipation of those savings, DOI has included a budget reduction in the 2006 budget.

Through the Exhibit 54, the bureaus annually report to OMB the current space inventory, the budgetary requirements for current space, the budget year request reflecting increased space square footage, rate increases, expansions, and associated costs. Based on OMB's review of the space requests, they are incorporated within the budget request. Bureau oversight of the leased space inventory is not consistent or comprehensively evaluated as an investment decision. Decisions on space including new leases, renewals, relocations, consolidations and collocations are handed in a decentralized manner.

GSA is the Federal leasing entity. When programmatically and economically viable, and no existing Federal or DOI leased or owned space is suitable, bureaus and offices may request this delegation from GSA. The bureau or office must use a Real Property Contracting Officer warranted in compliance with Departmental requirements.

DOI acquires leased space when existing or build-to-own government space is not viable alternatives. The Secretary of the Interior, along with heads of the other Federal agencies, is required by GSA and the Office of Management and Budget to prepare an annual Work Space Management Plan and Budget Justification. This process facilitates the development of projected space requirements and associated funding. Bureaus and offices are required to submit Plans to the Department's Office of Acquisition and Property Management. The Department coordinates preparation of the Plan, including liaison with GSA and all appropriate Department entities, evaluates and consolidate bureau and office Plans for submission to GSA and OMB to coincide with the annual budget submission.

DOI, working through the bureaus' headquarters property office, performs the scoring analysis and develops the projects for submittal as part of its Annual Space Planning Process. DOI will ensure that new leasing proposals are contained in a five-year plan and that the lease term conforms to OMB's operating lease scoring requirements. DOI will examine each leasing proposal for consistency with the portfolio strategy, the availability of space in the local market, and the appropriateness of timing. Projects meeting all applicable criteria are included in DOI's capital program request to OMB and Congress.

Draft policies and procedures are under review that when implemented will establish a new process whereby the Department will formulate a multi-year space plan that will guide decisions Department-wide for lease renewals, consolidations, and collocations. Based on input from the bureaus on projected lease expirations, relocation and consolidation plans, the Department will focus on the most cost effective opportunities to co-locate offices, consolidate space, and achieve more effective and efficient lease arrangements.

3.2 Capital Plan for Non-Major Projects

Capital planning for all projects including non-major projects is structured around the development of a consistent approach for five categories of asset management:

- Contribution to mission;
- Asset inventory;
- Asset condition;
- Asset valuation; and
- Improving the condition of the asset portfolio and properly sustaining it over time – life-cycle management.

DOI's accomplishments and actions in the capital planning for all projects are the foundation and building blocks for strategies to strengthen DOI's asset management.

3.2.1 New Construction, Repair and Alterations of Non-Major Projects

Although ranking projects based on critical health and safety, resource protection, and critical mission has served DOI well, it has a project-centric focus. With the move to a life cycle and portfolio-based approach, DOI is establishing an enhanced ranking capability that will build upon this ranking process, using API and FCI to allow the highest mission critical assets to be recognized prior to any project ranking system. This system is necessary to maximize spending upon a bureau's mission critical assets at the most important periods in the asset life cycle.

Bureaus rank and prioritize non-major projects through consideration of mission, alternatives, and cost. All bureaus have priority-setting processes in place to review non-major projects. For example, USGS develops a business case for non-major construction, repair, and leasing projects for review by regional investment review boards.

3.2.2 Acquisition of Non-Major Leases

DOI acquires leases below prospectus level from the private sector when leasing is the most economical answer to meeting Federal needs, when construction funding is not sufficient, or when a government-owned site is not available in the area. Bureaus such as USGS, OSM and MMS currently use GSA to perform all of their leasing activities, but the other bureaus (BOR, NPS, BIA, FWS, and BLM) use a combination of GSA-assigned, in-house leasing, and DOI owned facilities to meet their space requirements. The decision about whether to lease or build is usually made at the field office level.

Because of the remoteness of many offices in small, isolated communities and or those that have special space requirements that are outside of GSA's normal operating area, GSA is not used in some cases. In accordance with 41 CFR 102-72.30, the Administrator of General Services has issued a standing delegation of authority (under a program known as "Can't Beat GSA Leasing") to the heads of all Federal agencies to accomplish all functions relating to leasing of general purpose space for terms of up to 20 years in non-major metropolitan areas. This delegation includes some conditions Federal agencies must meet prior to conducting the lease acquisition for their agencies. The Department utilizes this authority when appropriate to secure space to meet mission needs.

Currently, BLM's National Business Center has a centralized acquisition staff with the largest leasing staff in the Department of the Interior. The National Business Center facilitated the collocation of BLM employees with Forest Service under the "Service First" agreements between BLM and USDA Forest Service. These "one-stop" offices in communities where BLM and the Forest Service both have a presence are a streamlined, effective and efficient approach to meeting the needs of these two agencies. The Department is evaluating additional opportunities for Service First and expanding the concept to include other Interior bureaus.

Requirements for space over 10,000 square feet are advertised in local newspapers and the Federal business opportunities webpage at www.fedbizopps.gov. A Solicitation for Offers is sent out to all potential offerors, the bid packages are analyzed to determine which ones best meet the needs of the Government and, after negotiation, a Best and Final Offer is requested from each acceptable offeror. Once an award is made, the contracting officer will select a Contracting Officer Representative (COR) to monitor the construction or renovation phases, and to administer the lease.

Space requirements less than 10,000 square feet are routinely handled by GSA or in the case of bureaus that conduct leasing. The steps include conducting a Market Survey of the area and subsequently, having discussions with potential offerors and performing a small lease acquisition.

The Department's Space Coordination Council (SCC), comprised of representatives from each bureau, brings together the subject matter experts in space management throughout the Department. Established in 1995 via directive from the Assistant Secretary – Policy, Management and Budget, the SCC provides coordination among the bureau on common space related issues. The SCC recommends policies and procedures, coordinates research, provides guidelines, and advises on management issues concerning the Department-wide space management program effort. Specific functions include:

- Develop a communication network to foster a unified space management program;
- Periodically review space management policies and procedures;
- Explore ways to share expertise and data management throughout the Department to maximize efficiency and minimize costs;
- Collectively explore emerging technologies and innovative methodologies to recommend Department-wide adoption;
- Ensure communication with GSA, OMB, Department of Labor and other organizations to foster input on policy issues, assure compliance with requirements, and share information; and
- Assist with the establishment of educational, training, and career development programs within the space management field.

The SCC is working on a number of initiatives that will be used to improve space management, Department-wide. It has prepared policies and procedures that are in draft and being reviewed. Once implemented the policies and procedures will provide more information for linking space decisions to mission-related needs, require an investment review process at the bureau and Department levels for new and expanded space, establish a multi-year planning process that will be the basis for a Department-wide strategy to guide decision-making that can improve the effective use of space including taking advantage of opportunities for consolidation and collocation.

3.2.3 Acquisition of Fleet (Vehicle-focused)

Each bureau is responsible for the acquisition (by purchase or lease), maintenance, and disposal of vehicles. In the past, the majority of bureaus acquired vehicles through appropriated funds. Currently, BLM employs the use of a working capital fund (WCF) to operate a fee-for-service arrangement that funds the acquisition, maintenance and disposal of their fleet. This model is being evaluated for use in other bureaus.

The Department has issued a fleet management improvement strategy with goals for effective life cycle management, optimization of vehicle use, use of alternative fuel vehicles, and other best practices. Each bureau and office is developing a fleet management plan to identify the steps that they will take to implement the fleet management improvement strategy.

The Departmental Office of Planning and Performance Management (PPP), working with the Office of Acquisition and Property Management and the Office of Budget, are coordinating with bureaus to develop performance measures for fleet that are bureau and location specific. These measures will be incorporated into the Departmental strategy for performance measures that will be tracked annually. Included in each strategy will be methods for base-lining and 'right sizing' the fleet. This strategy will address the issues raised the OIG in the audit of fleet and criticisms of the size and underutilization of fleet.

Deployment of fleet management plans is scheduled for FY 2006 in order to be able to achieve cost savings identified in the 2005 and 2006 budgets, totaling $13 million. The Department's fleet managers group is working collaborative on performance measures to gauge success in fleet improvements, approaches that can be pursued with GSA to improve the terms and conditions of leases, and other innovations.

The use of environmentally-friendly vehicles through the acquisition of alternative fueled vehicles (AFV) powered by natural gas, electricity, propane, alcohol-based fuels and bio-diesel will, in many applications, enhance the Nation's energy security by reducing dependence on foreign crude oil, create jobs by stimulating domestic industry, and improve air quality by reducing emissions. The use of AFVs contributes to DOI's stewardship responsibilities for the Nation's publicly-owned lands and natural resources.

The Energy Policy Act of 1992 and E.O. 13149 require DOI to demonstrate leadership in AFV use and ensure that 75 percent of new light-duty vehicles leased or purchased in FY 2005 in urban areas are AFVs. The AFVs acquired for DOI facilities in rural locations also count toward meeting the E.O.'s goal. In FY 2003, DOI met the agency-wide goal for the acquisition of AFVs for a sixth consecutive fiscal year. Departmentwide accomplishments in this area must continue, as AFVs become more available.

To cover the additional cost of AFVs over the cost of conventionally-fueled vehicles leased through GSA, DOI has entered into an agreement with GSA to surcharge through its billing process for the approximately 16,000 fleet motor vehicles that it leases to bureaus. DOI pays an additional monthly surcharge to GSA on every GSA-leased vehicle to cover the additional cost of procuring an AFV. This allows the Department to share the additional costs for AFV acquisition amongst all bureaus, increasing the procurement of AFVs throughout DOI. Bureaus are to provide the full funding necessary to ensure compliance with the E.O., including covering the incremental cost of AFVs purchased and the GSA surcharge on leased vehicles.

3.3 Acquisition Performance Measures and Continuous Monitoring

Key performance measures will be used to measure the effectiveness of the acquisition phase of the life-cycle of asset management. For example, measures will be tracked and used for multiple purposes including DOI's Strategic Assessment, Strategy and Action Plans, Program Assessment and Rating Tool submittals, Performance Accountability Report, and Congressional Justification submittal.

DOI will use internal scorecards as continuous monitoring and feedback mechanisms. For example, DOI will use key measures in conjunction with agency goals in quarterly Departmental and bureau scorecards for Real Property. Departmental and Bureau senior management will monitor performance and progress toward meeting key initiatives associated with the President's Management Agenda and the agency scorecard. Quarterly bureau scorecards and major project reporting will provide an opportunity to shape the direction and allow for midcourse corrections for both programs and projects, influence asset strategies and informed investment decisions.

The Department will also explore the use of a "Self-Assessment Guide toward Portfolio Management Maturity" to measure CPIC asset program and portfolio management success within the Department and the bureaus. This guide will be based on the Information Technology Investment Management (ITIM) process maturity stages, issued by the GAO.

3.3.1 DOI Acquisition Measures

DOI's GPRA Strategic Plan includes two acquisition-oriented measures against which performance was first reported in FY 2004. The measures track construction acquisition performance, supporting completion of Bureau of Reclamation water infrastructure construction projects in a manner that ensures we are complying with environmental requirements (see UIM 9.11) and ensures a target amount of water is made available (UIM.458). Both measures can be reviewed in Section 7 of this AMP. Targets for the measures have been established for FY 2005 with initial performance targets proposed for FY 2006. (Additional DOI Acquisition Measures will be developed following the release of Federal Real Property Council guidelines for measures for acquisition.)

Project sponsors prepare a business case in the form of an OMB Exhibit 300. The business case is evaluated through the bureau governance process. For major projects over $10 million, the business case is evaluated through the bureau and Departmental governance process. DOI will place enhanced emphasis on ensuring these business cases provide s sufficient work breakdown structure to better enable the tracking of projects' earned value. Earned value is a critical measure to track progress and aids in ensuring that projects are managed within budget, schedule and scope. A quarterly reporting tool will help management at all levels to better track and measure the progress of ongoing projects.

3.3.2 Agency Specific Measures

DOI is using additional specific measures at the bureau level to evaluate effectiveness in the project delivery for constructed and leased assets. A series of measures that track project schedule, scope, and budget include:

- <u>Construction Acquisition Measure</u>
  DOI uses FCI and earned value to track construction performance. DOI will strengthen the use of earned value methodology to track construction projects to ensure they remain on schedule and on budget. DOI will also explore reviewing the management of the constructed asset portfolio of new projects by the percentage of the projects that are at variance vs. the overall number of projects.

- Leasing Acquisition Measure
  The Department's space council is developing on policies and procedures that will guide consistent performance measures to gage improvements in space management. At the bureau level, various strategies are used to keep leasing costs at or below market levels include comparing lease offers to industry benchmarks, using market surveys to comparison shop for best prices, using a published market source to gain a better understanding of area markets and to ensure leasing costs are in line with the private sector market.
- Fleet Measure
  The Department's fleet managers group is working collaborative on performance measures to gage success in fleet improvements. Each bureau is developing measures specific to their respective organization. Currently BLM is utilizing a number of measures that evaluate the cost effectiveness of maintenance schedules, life cycle replacement schedules, etc.
- Customer Satisfaction Surveys/Measures
  DOI facility managers will continue to use a variety of tools to assess internal customer satisfaction with assets and acquisition processes. They will also continue to track tenant satisfaction with newly constructed assets to ensure that the end users are satisfied with the asset.

3.4 Planning and Acquisition Initiatives

DOI supports a number of programs and has begun a number of initiatives to improve its planning and delivery of acquisition projects and to improve financial and program management. The following are the key initiatives and the target dates (quarter by fiscal year) for completion.

The Department of the Interior will:

- Through a Departmentwide Space Management Initiative, recommend actions to strengthen policy, management and governance of the portfolio of owned and leased office and warehouse space. Q4 '05

- Develop key performance measures to determine the effectiveness of the acquisition phase of asset management. Q4 '05

- Develop template for sustainment information for project presentations to include the total cost of ownership. Q4 '05

- Implement the performance measures identified by the FRPC (utilization, API/mission dependency, FCI and operating costs) as follows[4]:
  - Utilization Q1 '06.
  - Mission Dependency Q2 '06;
  - Condition Index Q4 '06; and

[4] Waivers will be requested from OMB for performance metrics (mission dependency, condition assessment and operating and maintenance cost) that can not be reported for all contructed assets by Q1 '06.

  - Annual Operating and Maintenance Costs (data to be derived upon full implementation of FBMS) Q4 '06.

- Formulate a Departmentwide multi-year space planning process to guide future locations through relocations, consolidations, and collocations with space data provided by the bureaus. Q2 '06

- Measure bureau CPIC programs and portfolio management success through use of "Self-Assessment Guide toward Portfolio Management Maturity." (The Guide will be based on the Information Technology Investment Management (ITIM) process maturity stages, issued by the General Accounting Office) Q4 '07

Each Bureau will:

- Report FCI (current FCI and revised FCI) for all currently approved FY 2005 and FY 2006 construction projects for which FCI had not previously been provided. Q3 '05

- Include API as a performance measure for each asset in major project proposals submitted to the IRB. Q1 '06

- Include sustainment information to demonstrate the total cost of ownership in all FY 2008 project presentations to the IRB. Q2 '06

4. OPERATIONS OF REAL PROPERTY

The operations phase of DOI's assets involves making decisions regarding operations, maintenance and reinvestment as well as monitoring administration of leases and servicing agency needs. Critical information is needed on all assets to support operational decision-making.

DOI's approach to asset management is to provide managers at all levels with the tools to make informed choices for proper operations and maintenance (O&M) in owned and leased buildings, structures, linear and fleet assets in order to contribute to each bureau's mission. Managers will have the knowledge and tools to enable them to successfully address the complex decisions inherent in managing a diverse portfolio of assets. Bureaus are undertaking improved analysis to determine requisite operations and maintenance cost for facilities with major emphasis on implementing modern O&M practices throughout the life-cycle of individual assets.

4.1 Inventory and Description of Assets

4.1.1 DOI's Real Property Inventory

Real property is defined by E.O. 13327 as any real property owned, leased, or otherwise managed by the Federal Government, and improvements on Federal lands. For the purpose of the E.O., Federal real property does not include assets held in private ownership; land easements or rights-of-way; public domain land or land reserved or dedicated for national park or national wildlife refuge purposes except for improvements on those lands; and land held in trust or restricted fee status for individual Indians or Indian tribes.

DOI's real property portfolio includes more than 40,000 buildings and housing units and a wide variety of other constructed assets such as roads, trails, bridges, recreation facilities, water and power facilities, irrigation facilities, research facilities, fish hatcheries, wetland management impoundments, and others. The Department also leases and occupies office, laboratory and warehouse space that costs approximately $300 million annually.

DOI measures the owned and leased assets in billions of dollars, and many are considered priceless for their cultural and historical significance; many significantly contribute to the Nation's economy. As stewards of the assets, DOI is committed to improving the management of existing facilities and making capital investments in new facilities that are essential to our mission.

4.1.2 DOI's Inventory of Motor Vehicle Fleet

Consistent with its geographically dispersed organization, DOI has a large motor vehicle fleet. Leased and owned vehicles are an important tool for service delivery. Accomplishment of mission work at remote locations in field based professions, such as forestry and monitoring, are essential to programs such as law enforcement. DOI has the third largest motor vehicle fleet among civilian agencies with an inventory over 38,000 general-purpose vehicles. DOI has put a priority on reducing the number of owned vehicles and promoted leasing. Currently the Department leases nearly 45 percent of its motor vehicle fleet from the GSA Leasing Office, and also enters into a small number of lease agreements with private vendors. The bulk of the fleet, nearly the remaining 55 percent, are vehicles purchased from the GSA Automotive Office.

DOI employees, contractors, and authorized volunteers use motor vehicles to support multiple mission activities that are predominantly located in remote areas. In some locations, government vehicles are provided to support service contractors. Over 4,000 vehicles are used seasonally (i.e., only in winter or summer), or for special purposes, such as law enforcement or fire fighting. Nearly 90 percent of the fleet is trucks, vans, buses and ambulances, and 10 percent are sedans and station wagons.

The Department, in the past year, implemented a Fleet Initiative designed to promote the effective and efficient management of fleets in each bureau and office. This initiative targets effective life cycle management, optimum utilization and where appropriate reducing the motor vehicle fleet, ensuring that DOI acquires vehicles that meet mission needs and disposes of excess vehicles.

Each bureau is responsible for developing a fleet management plan which defines its strategy for implementing these initiative goals. The bureau fleet management plans include the bureau process to develop investment strategies, effectively manage and maintain accountability for fleet, ensure the safety of vehicles, and demonstrate improved performance. The baseline will be used to set performance measures for the bureaus' fleet program by the goals established in the bureaus' fleet management plan. Within each plan, Bureaus have outlined how they will optimize the size of the fleet in accordance with Departmental and Bureau specific missions.

The DOI Fleet Initiative covers the approximately 25,000 light duty vehicles that are within the Department of the Interior. The initiative generally excludes medium and heavy-duty vehicles, buses, and emergency vehicles.

4.1.3 Historic Preservation Requirements

AMPs are required by E.O. 13327 for real property owned, leased or otherwise managed by the DOI that "incorporate(s) planning and management requirements for historic property pursuant to 13287 of March 3, 2003 – "Preserve America." The AMPs include historic properties, as defined by the National Historic Preservation Act of 1966 (NHPA), which meet the criteria of Federal real property, as defined in E.O. 13327. The "planning and management requirements" for historic properties described in E.O. 13327 include those in NHPA, as amended (16 U.S.C. 470 et.seq.) and other mandates.

The NHPA directs federal agencies to manage and maintain historic properties in a way that considers the preservation of their historic, archaeological, architectural and cultural values; to take into account the effect of an undertaking; and to protect historic properties through the application of the Secretary of the Interior's Standards and Guidelines for Archeology and Historic Preservation.

4.2 Asset Documentation

DOI will use FBMS and FMMS to store documentation relating to the acquisition and operation of its assets. This may include but not be limited to a map, a copy of the title or lease, a metes and bounds survey, a legal description of the property, documented environmental liabilities, Leadership Environmental and Energy Design (LEEDs) ratings, historic significance, an Architectural Barriers Act survey, documented fire/ life safety issues, as-built or CAD drawings, and a housing plan showing the tenants within the asset or facility. In addition, the use of the linked documents featured in FMMS will allow storage of asset deficiency cost estimates or other maintenance related documents.

The bureaus' Chief Financial Officers are responsible for maintaining documentation of account reconciliations. Persons who manage real property are responsible for maintaining documentation of physical inventories. This documentation must be available for review by auditors. Maintenance of the hard copy documentation resides at the bureau level. The Department and bureaus will have access to electronic documentation in FBMS and FMMS.

4.3 Bureau-level Asset Management Plans

The bureaus will develop and utilize AMPs, which will follow FRPC guidance and tier off of the DOI Asset Management Plan. The bureau-level Asset Management Plans will be used to drive strategic management and funding decisions related to their asset portfolios. These plans outline a methodology not only for understanding the current status and requirements of the overall asset portfolio, but more importantly for making strategic decisions about the portfolio that advance the goals of the Department's Asset Management Plan.

The Asset Management Plans will enable the bureaus to make management and funding decisions based on life-cycle asset management principles. These plans will be incorporated into existing and future organization-wide business planning processes which examine overall operating and administrative requirements.

4.4 Asset Business Plans (site-specific)

Bureaus will develop and utilize Asset Business Plans as the third tier for implementing life-cycle asset management principles. Bureaus will develop an Asset Business Plan for their individual management areas based on portfolio guidance and methodology contained in the second-tier Bureau-wide Asset Management Plans.

The level of organization or management area that the Asset Business Plans will focus on will be adjusted to fit the differing structures of each bureau. For example, the National Park Service has prepared pilot Asset Business Plans at the major national park level. The U.S. Geological Survey plans to prepare Asset Business Plans for science center campuses. The Bureau of Land Management expects to pilot Asset Business Plans at the State Office level where the analytical expertise is available and the major asset decisions are formulated. These BLM State Office plans, that will include site-specific information, would be prepared with the involvement of BLM District Offices with assistance from the local field office managers and staff.

The DOI will develop a site-specific Asset Business Plan format for use by the individual bureaus. The DOI AMP Implementation Plan schedule calls for the format guidance to be issued by the first quarter of Fiscal Year 2006. The Implementation Plan then calls for each bureau to develop site-specific Asset Business Plans which will follow the DOI guidance by the first quarter of FY 2007.

The Plans will reflect the level of investment, and authority and responsibility for decision-making. Plans will be formulated and maintained utilizing FMMS and FBMS. These web-based information systems allow bureau staff to store and manipulate data about each asset and each asset type in the real property inventory. The FMMS and FBMS will be automatically linked with asset inventory information, performance measures data, and financial and accounting information. The building block for the Asset Business Plan is the asset type which is the key item used to organize data for analysis, presentation and decision-making.

The following elements are examples of content in an Asset Business Plan.

- Typical Background Information
  - Existing asset portfolio profile (number, type, age, quantity, API) by asset type
  - Projected (five-year) asset portfolio profile (with planned new construction) by asset type
  - Baseline condition (FCI) reported by asset type
  - Current year base budget for operations and maintenance by asset type
  - Current year and future secured non-base funding by asset type

- Summary of Asset Portfolio Requirements
  - Annualized operations and regular maintenance requirements by asset type
  - Projected annual recapitalization requirements by asset type
  - Projected FCI estimates by asset type and by API based on current budget

- Summary of Asset Portfolio Management Strategies
  - Plan to reach FCI targets by asset type and by API over a specified period resulting from:
    - Investment plan;
    - Budget reallocation strategies;
    - Revenue-generating strategies; and
    - Cost-savings strategies (e.g., disposal, leasing, mothballing)

- Implementation Strategy

4.5 Periodic Evaluation of Assets

Condition assessments begin with verification and existence of the asset and then proceed to examination of its condition. There are two required types of condition assessments; Annual and Comprehensive with the preponderance of assets examined during the Annual Condition Assessments.

Annual Condition Assessments are conducted on all constructed assets with a CRV over $5,000. The goal of an annual assessment is to verify existence and update documentation of maintenance needs and accomplishments in FMMS. Constructed assets under $50,000 have not been reported consistently. That will change with the revised FRPP data call in 1st Quarter of FY '06. Bureaus and their constituent Field Operating Units will determine the Annual Condition Assessment schedules, so that all respective assets get their required assessment.

The minimum DOI standard requires completion of a Comprehensive Condition Assessment at least every five years on DOI-owned constructed assets with a CRV over $50,000. Inspection findings will be integrated into the FMMS to ensure that required corrective actions are included in budget requests as appropriate. At the end of FY 2005, this program will have concluded its fourth year of a Five-Year program to assess all constructed assets with CRV over $50,000.

Different types of assets require different frequencies of comprehensive assessment inspections as required by public law or regulations. For example, BIA schools and BOR dams and power generation facilities are required by public law, regulation or policy to conduct comprehensive condition assessments more frequently than the DOI standard of every five years. Bureau-level asset management plans will define the specific condition assessment schedules by asset type.

4.6 Operations and Maintenance Plan

DOI operating units, i.e. national parks, resource areas, national wildlife refuges, etc, currently or will use FMMS to plan and manage the conduct of operation and maintenance activities considering for such activities as visitation, trust responsibility, educating children, scientific knowledge acquisition, power production, mineral management or resource protection factors.

Asset inventory, condition assessments and the cost to perform work orders will be updated in FMMS.

In many respects, the DOI infrastructure portfolio is unique in its composition and has important implications for considering proper benchmarks, performance measures, and asset management planning strategies. The DOI inventory is composed primarily of many small structures, typically located in remote regions of the country; many are historic.

Many of DOI's public use facilities receive high annual public visitation. In short, there are few comparable organizations that could provide adequate benchmarks for comparing common measures such as $/SF operations and maintenance costs. For example, Building Owners and Managers Association (BOMA) benchmarks are primarily drawn from large, several hundred thousand square foot office buildings in metropolitan areas. These types of buildings have little in common with the average DOI administrative facility that is often one thousand square feet, on average, located in a remote community.

Accordingly, DOI's strategy for operations and maintenance (O&M) planning will be to assess and plan for such activities at the asset level. DOI may take a scaled approach to planning O&M activities where critical assets (as defined by the API process) may receive a detailed, systems-level build up (derived from FMMS) of operational, and recurring and preventive maintenance costs and activities. Other assets, however, may receive a higher level "$/SF" estimate of what is required for proper sustainment on an annual basis.

The foundation of DOI O&M planning is based on properly defining and implementing accurate and comprehensive O&M worktype definitions. The use of consistent work types in FMMS will help to ensure that proper focus is placed on the long-term life-cycle management of DOI's unique asset portfolio and will help to minimize problems created by deferred maintenance and maintenance backlog.

Creating O&M models for bureau assets, based on R.S. Means industry practices for operating a facility, will give DOI and bureaus the requirements and benchmarks for establishing a good O&M program. O&M includes the work types of preventive maintenance, recurring maintenance, custodial work, refuse collection, pest control, unscheduled maintenance, site maintenance and utility costs. If a bureau's business practices do not identify the O&M requirements for an asset portfolio, the end result is deferred work and an increase in the maintenance backlog. Data on the benchmarks will reside in FMMS upon implementation.

Tracking budgeted or actual O&M costs does not identify the work required for an adequate O&M program that will prevent an increase in deferred maintenance. Combining O&M requirement benchmarking knowledge with API and FCI allows a manager to reallocate resources from low to higher priority assets in good or fair condition.

4.7 Plan for Basic Repair and Alterations (R&A) Needs

Section 3.1.2 describes DOI's Five-Year Deferred Maintenance and Capital Improvement Plan to address repair and alteration needs.

4.8 Capital and Operating Resource Requirements

On an annual basis, the Department formulates a budget that considers the costs for capital investments and operations and maintenance costs for all facilities. The CPIC process provides the overall framework for investment review. At the Departmental level capital (defined as construction and IT) investments of $10 million or that meet other specific criteria are evaluated and approved or disapproved by the Management Initiatives Team and the Management Excellence Council. Each of these investments is supported by an Exhibit 300. Within each bureau investment boards review these investments and those that are below the $10 million threshold.

The formulation of the capital investment portfolio in each bureau is guided by Attachment G, the budget guidance that is issued annually. Attachment G requires that each bureau maintain a five-year plan that guides budgetary decisions and investment requirements. Supporting the five year plan is a set of project descriptions. The Department reviews and approves the five year plans during formulation of the budget submission to OMB and at the time the President's budget is released.

The operations and maintenance costs are considered with the identification of planned newly constructed assets as well as with planned land acquisition. Each bureau is responsible to budget for operating and maintenance costs or to identify the redirection of funds for operation of facilities. Annual budget guidance requires that the bureaus identify these costs within the bureau target funding level. See Section 3.1.2 on Repair and Alterations Major Projects for additional detail.

4.9 Operations Continuous Monitoring and Performance Measures

DOI uses performance measures to measure program performance and effectiveness. The Asset Management Partnership will be working to bring consistency to existing measures and formulate new measures, as appropriate. Examples of these performance measures are described in greater detail below.

4.9.1 Federal Real Property Council Measures

FRPC	
Condition Index	DOI uses the FCI. Condition assessments are performed on five-year cycles, three-year cycles and annually, depending on the type of facility and its current replacement value. For each constructed asset, the Repair Backlog is compared to Current Replacement Value to calculate the FCI.
Utilization Index	Several bureaus currently maintain utilization data for facilities, including BIA schools, visitor facilities, fleet and leased space. DOI recognizes the need to more consistently measure utilization and to provide the data to the Federal Real Property Profile, consistent with the FRPC guidance for offices, warehouses, laboratories, and housing.
Operating Costs	Interior bureaus currently budget for operating costs. Some bureaus capture this data centrally at a very detailed park, refuge, and field station level, while other bureaus maintain this information at the regional level.

FRPC Measure	Description
	The Department has been working with the bureaus to improve the consistency of formulating operating costs, and tracking and reporting these costs. DOI recognizes the need to measure operating costs and to provide the data to the Federal Real Property Profile data call, consistent with the FRPC guidance. DOI will be consistent with the Federal Real Property FRPC's latest standards for this measure.
Mission Dependen	assets and facilities. The BIA evaluates the importance of schools and uses that to determine the priority for repair and replacement. DOI has not had a consistent approach to mission dependency in the past, but began in FY 2005 to use an API index to determine mission dependency. This Federal Real Property Profile measure categorizes all constructed assets into the following categories: Mission Critical, Mission Dependent Not Critical, and Non-Mission Dependent.

4.9.2 DOI and Agency Specific Measures

The Department's GPRA Strategic Plan contains 24 measures related to operations continuous monitoring. The majority of these measures focus on measuring our progress toward improving the FCI, Facilities Reliability Rating, or Service Level Index of specific physical structures, including buildings, bridges, and roads. For the most part, emphasis is on moving facilities from "poor" to "good" condition status, respectively.

One measure in our GPRA Strategic Plan tracks improvements in cost-efficient operation of water storage facilities. Another measures our progress toward increasing the number of universally-accessible facilities on our recreation areas. A list of these measures and our actual performance results against targets established for these measures in FY 2004 can be found in Section 7 of this AMP. Final targets have been set for FY 2005 and initial targets proposed for FY 2006 for each of these measures.

DOI will examine other measures in the future for development and implementation, taking its lead from the FRPC Performance Measures Committee, which will now address 2nd Tier Performance Measures.

Existing DOI Performance Measures:

- Conservation and biological research facilities are in fair to good condition as measured by FCI;
- Percent of cultural properties in DOI inventory in good condition;
- Percent of participating cultural properties owned by others in good condition;
- Percent of collections in DOI inventory in good condition;
- Facilities are in fair to good condition as measured by the FCI;
- Hydropower Facilities are in fair to good condition as measured by the Facilities Reliability Rating (FRR);
- Cost per acre-foot of water to operate water storage facilities at full capacity;

- Facilities (exclusive of FRR facilities) are in fair to good condition as measured by the FCI (results pertain to both water and hydropower facilities);
- Water infrastructure is in fair to good condition as measured by the FRR;
- Percent of environmental audit findings and reviews addressed (results pertain to both water and hydropower facilities);
- Potential acre-feet made available through completion of projects;
- Percent of universally accessible facilities in relation to the total number of recreation areas;
- Percent of bridges in good or better condition based on the Service Level Index (SLI);
- Percent of miles of road in good or better condition based on the SLI;
- Facilities Condition: Other facilities, including roads, dams (non-BOR), trails and bridges (non-BIA) are in fair to good condition as measured by a FCI;
- Facilities Condition: Buildings (e.g., administrative, employee housing) in fair to good condition as measured by a FCI;
- Percent of physical and chemical hazards mitigated within 120 days to ensure visitor or public safety;
- Indian natural resource trust assets management – percent of collections in DOI inventory in good condition;
- Indian natural resource trust assets management – percent of paleontologic localities in DOI inventory in good condition;
- Indian natural resource trust assets management – percent of cultural properties in DOI inventory in good condition;
- Law enforcement facilities are in fair to good condition as measured by the FCI;
- Percent of facilities that have a calculated FCI;

Examples of additional Bureau-specific performance measures are:

Dollars/Gross Square Foot (GSF for Operations & Maintenance)

This indicator represents the relative operations and maintenance expenditures for the stewardship responsibility of the Park's assets. The indicator is expressed as a ratio of the maintenance and operating expenditures to the asset unit of measurement. Operations & Maintenance (O&M) includes the cost to perform the work on an asset as shown in the categories listed below:

- *Custodial* - Standard custodial tasks that are performed at various frequencies (daily, weekly, monthly, etc…) for functional spaces within a given building.
- *Pest control* - Periodic treatments or actions that eliminate or protect facilities from pests.
- *Refuse collection* - Refuse collection begins after refuse has been collected from individual rooms and placed in an intermediate container. It includes the emptying of the intermediate container into a dumpster and emptying the dumpster at an approved landfill.
- *Preventive maintenance* - Regularly scheduled periodic maintenance activities (within a year) on selected equipment, typically includes inspection, lubrication, and minor adjustment.

- *Recurring maintenance* - Work activities that recur based on normal wear patterns on a periodic cycle of greater than 1 year and less than 10 years. Typical work includes painting, caulking, sealing, carpet replacements, etc. *Note:* A few RM activities may have cycles greater than 10 years, such as re-pointing of bricks.
- *Unscheduled maintenance* - Unscheduled Maintenance includes work items of an immediate nature, both emergencies and minor repairs.
- *Utilities costs* - Costs that are captured by asset (if metered) or prorated if metered for a site, location, or park. These include energy, water or waste water that is generated or treated onsite, purchased from a municipal system, or from a private supplier.

Gross Square Footage is defined as the sum of floor areas within the outside faces of the exterior walls for all building levels which have floor spaces. Covered walkways, open roofed-over areas that are paved, porches and similar spaces shall have the architectural area multiplied by an area factor of 0.50. Operations & Maintenance does not include expenditures for major maintenance and/or component renewal funded by other accounts, nor does it include expenditures for support services such as mail, telecommunications, public safety, security, environmental health and safety, central receiving etc. The unit of measure is how the asset is usually quantified. For example, the unit of measure for buildings is square feet while the unit of measure for roads is miles.

$$\$/\text{GSF} = \frac{\text{Operations Costs (\$) + Maintenance Cost (\$)}}{\text{Unit of Measurement for the asset (BLDG GSF)}}$$

Component Renewal Index (CRI) – 10 Year Window

Annual Component Renewal Expenditures are all expenditures over and above facility maintenance operating budget expenditures required to keep the physical plant in reliable operating condition for its present use. These expenditures are over and above normal maintenance for items with a life cycle in excess of one year and are not normally contained in an annual facility operating budget. This is a separately funded, uniquely identified program that renews, replaces, or renovates building systems (roof /HVAC system replacement) on a schedule based on life cycle recommendations and on assessment of expected remaining useful life.

This is typically represented as a total expenditure for component renewal of agencies capital assets. Plant renewal focuses on maintaining the operability, suitability, and value of capital assets. It is accomplished through the replacement and rework of those components of a building that wear out even though those components are routinely maintained. Capital or plant renewal is a time-driven process with specific useful life cycles for heating and ventilation systems, etc. This often is provided in the form of capital funding for "major maintenance" before it becomes "deferred." NPS is looking at projecting an asset's component renewal requirements to10 years for budgeting purposes.

$$\text{CRI} = \frac{\text{Component Renewal (\$)}}{\text{Current Replacement Value (\$)}}$$

4.10 Operations Initiatives

DOI supports a number of programs and has begun a number of initiatives to improve its operation and maintenance of assets. The following are the key initiatives and the target dates (quarter by fiscal year) for completion.

The Department of the Interior will:

- Develop bureau scorecards for Real Property. Q3 '05
- Develop a tool for the quarterly status reporting of current major construction projects similar to that used for DOI information technology projects. Q3 '05
- Develop standard template for bureau asset management plans. Q4 '05
- Accurately inventory all owned and leased space and constructed assets consistent with FRPC guidance. Q1 '06
- Develop a site specific Asset Business Plan format for use by the individual bureaus. Q1 '06
- Roll-out the Department's Single Platform MAXIMO™. TBD

Each Bureau will:

- Implement the DOI developed tool for the quarterly status reporting of current major construction projects similar to that used for DOI information technology projects. Q4 '05
- Submit bureau internal scorecards. Q4 '05
- Implement each bureau's respective fleet management plan and begin tracking the performance measures established within the plan. Q1 '06
- Develop bureau-wide Asset Management Plans, which will follow FRPC guidance and the DOI issued standard template. Q3 '06
- Develop site specific Asset Business Plans, which will follow the DOI issued format. Q1 '07

5. DISPOSAL OF UNNEEDED ASSETS

The Department of the Interior is one of the largest landholding agencies in the Federal Government. DOI showed increasing trends in disposal activity when the General Services Administration (GSA) studied it over a period of five years between 1991 and 1995; these trends continued to rise over the next ten years. Disposals could be increased if the proceeds from disposal could be retained for agency requirements for all affected Bureaus.

The Department faces two key challenges when it comes to the disposal of unneeded assets. First, when a property (building or land) is of historical significance, additional time and documentation is required for research and negotiation for disposal. Second, when a property is found to have or will affect environmental considerations, additional resources, time, and contractor support, is required for documentation and may also be required for removal or abatement of hazardous materials.

Another significant and costly challenge in terms of resource time is the requirement to report each property under the McKinney-Vento Act regardless of the condition of the property (completion of a six-page checklist, which takes an average of 40 hours per checklist). We are working with HUD to streamline the reporting burden when appropriate cases are presented to the Department by requesting HUD's approval to list multiple properties as one Title V checklist.

The Department has broad disposal authority in connection with its operations; specific authorities and policies are summarized below for the Bureau of Land Management, Bureau of Reclamation, Fish and Wildlife Service, National Park Service and Bureau of Indian Affairs. As specified in 41 CFR 114-47.201-2(a)(4), Interior's disposal guidelines state "Each Interior Bureau and Office having jurisdiction over real property shall maintain its inventory of real property at the absolute minimum consistent with the economical and efficient conduct of assigned programs."

<u>Bureau of Land Management</u> – Disposal of real property assets is accomplished through standard procedures below using GSA unless it involves public land that falls under the authority of FLPMA (Federal Land Policy Management Act of 1976, 90 Stat. 2743) or the Southern Nevada Public Land Management Act (SNPLMA), which became law in October, 1998.

FLPMA authorizes DOI to sell public lands where, as a result of land use planning, it is determined that land targeted for sale: 1) was acquired for a specific purpose and the tract is not required for that or any other Federal purpose; or 2) disposal of the land shall serve important public objectives, including but not limited to , expansion of communities and economic development, which cannot be achieved prudently or feasibly on lands other than public lands and which outweigh other public objectives and values, including, but not limited to, recreation and scenic values, which would be served by maintaining such tract in Federal ownership; or 3) such tract, because of its location or other characteristics is difficult and uneconomic to manage as part of the public lands and is not suitable for management by another Federal department or agency.

SNPLMA allows the Bureau of Land Management to sell public land within a specific boundary around Las Vegas, Nevada. The revenue derived from land sales is split between the State of Nevada General Education Fund (5%), the Southern Nevada Water Authority (10%), and a special account available to the Secretary of the Interior for Parks, Trails and Natural areas, Capital improvements, Conservation initiatives, multi-species habitat conservation, environmentally sensitive land acquisitions and Lake Tahoe restoration projects. Other provisions in the SNPLMA direct certain land sale and acquisition procedures, direct the BLM to convey title to land in the McCarran Airport noise zone to Clark County, and provide for the sale of land for affordable housing.

Accountable officers recommend disposal of various types of property, ranging from land to buildings that are no longer needed to meet the mission. The goal is to achieve maximum utilization of excess real property and to minimize expenditures for the purchase of real property.

Bureau of Reclamation – The net proceeds from Bureau of Reclamation disposal of acquired or withdrawn real estate is deposited in the Reclamation Fund or to the Land and Water Conservation Fund, both of which are in the General Treasury. The proceeds are "credited" to the accounts of the specific project for which the property was acquired or withdrawn in accordance with existing laws and accounting procedures. No such revenues, other than recovery of administrative costs of processing the disposal, are actually "retained" by Reclamation, as appropriation of such funds by Congress is still required.

Sale of Land: All net proceeds from the sale of land are for deposit to the Reclamation Fund, a special receipt account designated as Treasury Symbol 145000, pursuant to the statutes noted below. In the first three scenarios, revenues are credited to the appropriate Reclamation project.

- Withdrawn, improved public land sales are to be credited to the project for which such lands had been withdrawn pursuant to the Sale of Surplus Improved Public Lands Act of May 20, 1920 (43 U.S.C. Sec. 375).

- Withdrawn, unimproved lands sales that are in tracts too small to qualify as farm units are credited to the project for which such lands had been withdrawn pursuant to the Disposal of Small Tracts Act of March 31, 1950 (43 U.S.C. Sec 375(e)).

- Acquired lands sales are credited to the project for which the lands were acquired pursuant to the Sale of Surplus Acquired Lands Act of February 2, 1911 (43 U.S.C. Sec 374).

- Public domain land sales are a general credit to the Reclamation Fund pursuant to Section 1 of the Reclamation Act of June 17, 1902 (43 U.S.C. Sec 391).

Sale of Real Property without the Underlying Land: Revenues from any sale or other disposition of surplus real property and related personal property are deposited as follows. If the real property was:

- Acquired by the use of reimbursable funds, then the proceeds from the disposition of that property are credited to the project pursuant to the Federal Property and Administrative Services Act of 1949 (June 30, 1949, 40 U.S.C. Sec. 485(c)).

- Not a cost to the project, then it is disposed of pursuant to the 1949 Act, 40 U.S.C. Sec. 485 (a).

Area Managers make the decisions on disposal to eliminate requirements to manage real property that is no longer needed, to facilitate economic development, and to comply with Interior policy to hold no more real property than is needed for mission accomplishment. This applies to land and buildings that are no longer needed for projection or public purposes. Area Managers continuously survey the real property and when a survey results in a decision that property is no longer needed, then it is disposed of with the goal that all real property that is not mission critical is disposed and fair market value is received for it.

Fish and Wildlife Service – All gross receipts from the sale of property within the National Wildlife Refuge System that was donated or originally acquired with Migratory Bird Conservation Fund monies must be deposited in the MBCF to be used by the Service for future land acquisitions approved by the Migratory Bird Conservation Commission [6 U.S.C. Sec. 668dd(a)(2)]. Funds from the sale of all real property which is declared surplus and turned over to GSA for disposition are deposited in the Land and Water Conservation Fund (41 CFR 101-47.307.6). Funds from the sale of all other real property must be deposited into the General Fund of the Treasury as Miscellaneous Receipts (346 DM 1.2).

The Director's approval is required for disposal of any FWS lands or interests in land. The disposal of lands in the NWRS also requires the approval of Congress or, in the case of land purchased with MBCF money, the approval of the MBCC. FWS Regional Directors are authorized to approve the disposal through an exchange of up to 10 percent of the approved acquisition boundary acreage or 40 acres, whichever is greater, subject to certain conditions.

It is Service policy to dispose of real property and improvements that are excess to its needs in keeping with the Acts of Congress specific to that real property. When disposals are legislatively mandated, the Services' disposal objective is to act as necessary to satisfy Congressional mandates.

National Park Service -- NPS has no authority to dispose of real property except under authority of Public Law 100-47 (102 Stat. 2281) that amended the National Trail System. This authority is limited to the sale of Park lands outside of the boundary of a National Trail. The proceeds from such sales are credited to the Land and Water Conservation Fund. Improvements or structures on Park land that have salvage value are disposed of using the proceeds to offset the cost of the contract.

Unneeded structures or improvements on real property are typically removed through demolition contracts because of deteriorated condition and for public safety and health reasons. NPS follows the guidelines set forth in the Federal Management Regulations (41 CFR Part 101-47) after compliance with the McKinney–Vento Act and the Historic Preservation Act and proper coordination with and concurrence of the GSA.

The Park Superintendent recommends removal of specific structures, which are reviewed on a case by case basis by a designated Board of Survey. The findings and recommendations of the Board are written into a Report of Survey and forwarded through the Regional Director to the Associate Director, Administration, and GSA for approval.

Lands acquired for the NPS are disposed of to protect and preserve a corridor through which a Trail passes, to buffer the Trail from activities on private lands which detract from or diminish the hiking experience. In many cases, there are improvements or structures which exist on these buffer and corridor lands. The structures contribute nothing; are an unwanted intrusion; detract from the scenic resources; and are a liability to the Park Service. Unwanted "incidentally acquired structures" are disposed, including dilapidated cabins, farm houses, chicken coops, privies, office trailers, small trailer homes, sheds, etc.

Disposal occurs after all of the reporting requirements are met and approval has been granted; however, it should be noted that it takes one year or longer to dispose of excess property under current authorities.

Bureau of Indian Affairs – The Bureau of Indian Affairs does not usually sell its real property assets. If the Bureau's realty assets are located within the exterior boundaries of an Indian reservation and/or abutting, the Bureau will transfer or convey the land to the applicable Indian tribe. The Authorizing Public Law 93-599, is codified in 40 U.S.C. 483(1)(2) – Disposal of Certain Excess and Surplus Federal Property to the Secretary of the Interior for the Benefit of Any Group, Band or Tribe of Indians. These transfers/conveyances are at "no cost" and no monies are derived from the transfers/conveyances.

Also, if an Indian tribe requires real properties off-reservation, the Bureau will convey ownership of its off-reservation lands to an Indian tribe if it will further the tribe's Indian self-determination contract(s) and/or grant(s). The Bureau will assist an Indian tribe in acquiring other Federal properties pursuant to the Federal Property and Administrative Services Act and then convey/donate the realty assets to the Indian tribe pursuant to Public Law 93-638, the Indian Self-Determination and Education Assistance Act. These transfers/conveyances are also "no cost" transfers and no monies are derived from the transfers/conveyances.

The Bureau of Indian Affairs has other disposal authorities as follows:

- 25 U.S.C. 443a – Conveyance to Indian Tribes of Federally-Owned Buildings, Improvements and Facilities. This statute authorizes the Secretary or designated representative to convey to an affected Indian tribe, band, or group, title to any Bureau-owned buildings, improvements, or facilities (including personal property used in connection with such buildings, improvements, or facilities) that are situated on lands of such tribes, band or group or on lands reserved for the administrative of its affairs, and that is no longer required by the Secretary for the administration of Indian affairs.

- 25 U.S.C. 15 – Utility Facilities Used In Administration of Bureau of Indian Affairs. This statute authorizes the Secretary to contract under such terms and conditions as he or she considers being in the best interest of the Federal Government for the sale, operation, maintenance, repair or relocation of government-owned utilities and utility systems and appurtenances used in the administration of the Bureau. Upon the determination by the Area Director that a utility system is no longer needed or is no longer subject to 25 U.S.C. 443a or 40 U.S.C. 483a, notice will be provided to currently operating regional utility corporations of the availability of the system for conveyance. In these instances, monies can be derived from the sale of the utilities.

- 25 U.S.C. 293 – Conveyance of School Properties to Local School Districts or Public Agencies. The Secretary's designated representative is authorized to convey to state or local governmental agencies or to local school authorities all the right, title, and interest of the United States in any land and improvements thereon and personal property used in connection therewith heretofore or hereafter used for Federal Indian school purposes and no longer needed for such purposes.

The local agency line official determines if the realty assets are excess. Once this determination is made, the area Director is responsible for ensuring the necessary disposal actions are completed. There are 12 area directors in the Bureau that have jurisdiction over real property assets.

The Bureau disposes of its realty assets, including land, buildings, structures, and utility systems, when they are no longer needed to carry out the mission or to enhance a tribe's 638 contract(s) and/or grant(s). Lack of funding for environmental cleanups has slowed the Bureau's overall disposal process.

In May 2005, the BIA Asset Manager met with GSA, seeking methods to improve the disposal of unneeded assets. Discussions focused on the disposal of approximately 2 million square feet of space in a variety of locations. Additional discussions are planned when location data can be introduced into the spreadsheets depicting the unused space.

As more and more Indian tribes contract pursuant to the Indian Self-determination Act, the Bureau's realty assets will be disposed of whenever possible using either Public Laws 93-599 or 93-638 authorities.

This section addresses disposal (transfer, demolition, and sale) for the major categories of constructed or acquired assets in the various bureaus of the DOI. Authorities for disposal vary for each of these categories. Terms of acquisition may affect the authority for disposal of certain assets. Clarification and implementation is a work in progress with active participation from each DOI land-holding bureau. Each of the six major categories of assets is separately addressed to assist in the understanding of the complexities and uniqueness of each of the DOI disposal processes.

Category Number	
Category 1	Constructed/Acquired Assets on Federally Owned Land
Category 2	Constructed/Acquired Assets on Non-Federally Owned Land
Category 3	Constructed/Acquired Assets on Public Lands
Category 4	Federally-Owned Land Assets
Category 5	Fleet Assets
Category 6	Other Assets not Otherwise Defined

5.1 Data Tools to Support Decision-Making

The determination that an asset no longer is needed or able to provide support for the mission of the various DOI bureaus is made by the analysis of the following data tools. This analysis is initiated and supported by a Retention and Disposal (R&D) Study and other pertinent documentation that examines the viability of retaining or excessing the asset. Some of the data tools used in this analysis, currently exist while some will need to be defined and standardized at the Department level by Q4 '06. The identification and management of excess asset disposition, transfer and sale will be greatly enhanced as the suite of the following tools are defined and implemented.

Data Tools	Currently in Place/"As Is"	Enhanced/"To Be"
– Clear and Definitive Disposal Policy and Procedures Mission Needs	X	
Asset		X
Disposal Planning Procedures	Annual current	Long-term
a Tools		X
	X	
	X	
Deferred Maintenance Backlog Disposal Related Costs		X
		X
Maintenance Backlogs	On-going under revision	

5.2 Disposal Processes

Each bureau is currently subject to similar mandatory screening or disposal processes legislatively defined in the Federal Property and Administrative Services Act of 1949 (Pub. L. 152, Ch. 288, 63 Stat 377) and 41 CFR 102 unless further defined by unique regulation or law. The Report of Excess (ROE) with the following supporting documentation provides the basic framework for the disposition process.

Mandatory screening processes are currently used for:

- Continued Federal Use;
- Public Benefit Conveyance Opportunities;
- Local Community Future Re-Use; and
- Sealed bid sale, public outcry auction or Internet sale.

Exception screening processes include:

- Screening for Transfer to Tribal Governments

The major categories of assets that are addressed in this plan include primarily both Federally-Owned and Non-Federally owned assets while land assets are more adequately addressed by other plans, regulations and laws. The following major asset categories are further defined.

Category 1 - Constructed/Acquired Assets on Federally Owned Land will be disposed of in accordance with previously mentioned GSA authorities and regulations delegated to the Secretary of the Interior and the heads of Bureaus by Departmental Manual. These authorities are defined in 41 CFR 102-71.25 and 102-75.1095. This represents the largest category for asset disposal. If other federal use is not initially determined, various Public Benefit Conveyance opportunities are examined, including and not restricted to the following for the homeless.

- McKinney-Vento Homeless Assistance Act
  Title V of the McKinney-Vento Homeless Assistance Act, 42 U.S.C. Section 11411 (1988), establishes a socio-economic program whereby the Secretary of Housing and Urban Development (HUD) requests, identifies and publishes lists in the Federal Register of excess or surplus property that are suitable for use to assist the homeless.

  DOI reports quarterly to HUD on its unutilized, excess and surplus real properties (buildings, structures and land). DOI's Office of Acquisition and Property Management conducts comprehensive canvasses on the first day of the first and third quarters of each calendar year.

  Properties published as "suitable" are not available for any purpose other than to assist the homeless for a holding period of 60 days beginning on the date of publication in the Federal Register. Unsuitable property is subject to a similar holding period of 20 days following the determination of unsuitability.

Category 2 - Constructed/Acquired Assets on Non-Federally Owned Lands that are State, local government, Tribal or privately owned or leased. Disposal of these assets are influenced and regulated by public law, legislative authority or lease agreements.

An example is public conveyance, where assets have been constructed on land administratively withdrawn for specific purposes such as Indian schools or BIA Administrative Agencies under 25 U.S.C. 443a Conveyance to Indian Tribes of Federally-Owned Building Improvements, or Facilities and 40 U.S.C. 483 (a) (2) Disposal of Certain Excess and Surplus Federal Property to the Secretary of the Interior for the Benefit of any Group, Band or Tribe of Indians. Another example would be when BLM has constructed air tanker bases on land leased by BLM.

Category 3 – Constructed/Acquired assets on Public Land where special authorities stipulate special realty disposal processes other than GSA delegated processes.

The land associated with real property, especially in BLM, is often part of the public domain and, therefore, reverts to stewardship land status when all buildings, structures and improvements have been removed. In extremely rare circumstances, it may be considered advantageous to the government to dispose of the land associated with real property. Because of the unique nature of the laws governing the BLM, prior to making any decision that includes the disposal of BLM-owned land, field office realty staff needs to be consulted.

Category 4 – Federally Owned Land disposal processes are currently beyond the scope of the AMP. These processes are being addressed and defined in other DOI plans, manuals, directives, regulation or statute.

<u>Type A. Non-stewardship Land</u>

The disposal processes for non-stewardship land parallel those for Category 1, Constructed or Acquired Assets on Federally Owned land. Non-stewardship land is considered to be the land associated with constructed assets such that it would be impractical to try to separate them for sale. Typically all the land under a built-up site or campus with buildings, structures, roads, and similar assets would be managed as a complete parcel and disposed of by sale or other transfer as a parcel. The land would go with the site or campus.

Some bureaus may have other non-stewardship vacant land that would be eligible for disposal through the normal real property disposal processes. These vacant parcels would be handled, if appropriate, through the same mechanisms as Category 1 property. If this is not appropriate, the special factors, rules and considerations would be detailed in the individual Bureau-wide Asset Management Plans.

<u>Type B. Stewardship Land</u>

Stewardship land for the purposes of this AMP is considered to be the same as "public land" as used in the Executive Order. These are the national forests, national parks, public domain, and other natural resource lands not built up with infrastructure. Disposal processes for stewardship land are currently beyond the scope of the AMP. These processes are being addressed and defined in other DOI plans, manuals, directives, regulation or statute.

Category 5 – Fleet Asset disposal will continue to be implemented in accordance with authorities and regulations delegated to GSA. Interior owned fleet sales are conducted in accordance with 41 CFR 101-45 Sale, Abandonment, or Destruction of Personal Property, 101-45.103-1 Conduct of Sales, 102-36 Disposition of Excess Personal Property, 101-45.304-10 Disposition and Final Payment, i.e., eBay, Oregon State Agency for Surplus Property (ORSASP).

Category 6 – Other Asset disposal provides the identification of unique assets that do not fit any of the other five standard categories.

5.3 Performance Measures and Continuous Monitoring

The determination of assets that are excess to the mission of the bureaus and the implementation of the disposal processes can be measured and monitored in any of the following methods.

5.3.1 DOI Disposal Measures

Disposal Index

As the FRPC and OMB further define the disposition algorithm, DOI will work to ensure consistency with the FRPC's standards. The disposal algorithm should reflect the realistic prioritization processes and outcomes for all Departmental disposal, transfer or sale of excess assets such as:

- Determination of whether to Dispose, Transfer or Sell;
- Prioritization of all existing excess assets for Disposition;
- Prioritization of all existing excess assets for Transfer;
- Prioritization of all existing excess assets for Sale;
- Effective and efficient use of existing fiscal resources;
- Timely completion of funded demolition, transfer or sale projects; and
- Determination of standardized units of measure (Square Feet, Dollars, Time).

5.3.2 Bureau Specific Measures

No disposal measures are contained in the Department's GPRA Strategic Plan. However, the following bureau performance measures are either proposed or presently included in their individual bureau budget appropriation language, OMB PART program assessment requirements or GPRA performance goal requirements. There currently is no standardization of measures between bureaus for disposition, transfer or sale of similar type assets. Because of the unique nature of some bureau assets, standardization of all measures will not be feasible.

Examples of present various bureau performance measures:

- Establish baseline excess asset inventory counts and square footages (BIA);
- Annual square foot baseline reduction percentages (BIA);
- Long term square foot baseline reduction plans and percentages (BIA);
- Timely disposal of identified excess assets following compliance of applicable laws (all Bureaus); and
- Cost effective disposal of identified excess assets (NPS).

5.4 Disposal Initiatives

DOI supports a number of programs and has begun a number of initiatives to improve its operation and maintenance of assets. The following are the key initiatives and the target dates (quarter by fiscal year) for completion.

The Department of the Interior will:

- Develop a vehicle management policy which includes guidance for performance measures, baselining the fleet, maximizing the utilization of vehicles and disposing of excess vehicles. Q4 '05

- Update disposal policy to emphasize reduction of DOI's inventory of low priority assets using the API, FCI and other factors. Q4 '06

Each Bureau will:

- Identify low priority assets and request funding for their disposal in the bureaus' FY 2008 budget. Q1 '06

- Include in each bureau's Fleet Management Plan appropriate guidance to ensure that the Bureau has the minimum number of vehicles to accomplish its mission. Q4 '05

6. CONCLUSION

DOI actively manages a large and unique portfolio. In many cases, this portfolio more than facilitate DOI's mission, it is DOI's mission. To accomplish this, DOI has undertaken significant reforms including the use of FCI, API, CPIC, completing condition assessments, utilizing a five-year plan to guide budget decision-making, and implementation of FMMS. The Department is building on this and is moving to a life-cycle, asset-based portfolio management process. DOI will facilitate this transition through the use of a full suite of tools relating to asset priority, asset inventory, asset condition, asset valuation, and life-cycle management.

DOI will use these tools and develop metrics to be implemented at the bureau-level to improve the performance of individual assets and the overall asset portfolio. The portfolio-based approach follows the structured, performance-based, integrated CPIC approach to managing the risks and returns of capital assets necessary to ensure that DOI's investments are well conceived, cost-effective, and support strategic mission and business goals.

This Asset Management Plan establishes the framework and strategic direction for the Department. In accordance with E.O. 13327 and the FRPC, DOI will continually refine business practices to improve accountability and performance.

7. INTERIOR'S GOVERNMENT PERFORMANCE AND RESULTS ACT (GPRA) STRATEGIC PLAN ASSET MANAGEMENT PERFORMANCE MEASURES

Measure ID	Performance Measure	FY04 Actual	FY05 Final Tar	FY06 Proposed Target
Mission Area #1: Resource Protection – Protect the Nation's Natural, Cultural, and Heritage Resources				
Improve inform ment and technical assistance (sustain biology)				
PIM.747	Conservation and biological research facilities are in fair to good condition as measured by the Facilities Condition Index (FCI)	0.12 (E)	0.062	0.062
Protect cultural				
PIM.391	DOI inventory in good condition	64.50%	54.66%	55.23%
	Percent of participating cultural properties owned by others in good condition	42.3%	4%	5%
	Percent of collections in DOI inventory in good condition	4.9%	49%	54%
	Percent of paleontologic localities in DOI inventory in good condition	61.1% (P)	57%	57%
PIM.748	condition as measured by the FCI	0.118	0.152	0.152
Economy				
Operate and ma p ies				
UIM.362	good condition as measured by the Facilities Reliability Rating (FRR)	100%	94.6%	94.6%
Deliver water, c a law, in an environmentally responsible and cost-efficient manner				
UEM.367	ot of water to operate water storage facilities at full capacity	No Baseline established	Establish Baseline	TBD
Operate and maintain a safe and reliable water infrastructure				
UIM.361	Facilities (exclusive of FRR facilities) are in fair to good condition as measured by the FCI (results pertain to both water and hydropower facilities)	No Baseline established	0.868	0.868

Measure ID	Performance Measure	FY04 Actual	FY05 Final Tar	FY06 Proposed Target
UIM.909	good condition as measured by the FRR	97.40%	94%	94%
Complete construction projects to increase delivery infrastructure and water availability				
UIM.911	findings and reviews addressed (results pertain to both water and hydropower facilities)	56%	83%	84%
	Potential acre-feet made available through completion of projects	103,598	31,689	33,535
Enhance the quality of recreation opportunities				
RIM.373	condition as measured by the FCI	0.181	0.166	0.166
RIM.331	Percent of universally accessible facilities in relation to the total number of recreation areas	7.80%	13%	17%
Mission Area #4 unities – Safeguard Lives, Property and Assets, Advance Scientific Knowledge, and Improve the Quality of Life for Communities We Serve				
Improve public t public resources from damage				
SIM.333	Percent of bridges in good or better condition based on the Service Level Index (SLI)	No Re	47%	49%
SIM.334	better condition based on the SLI	No report	15%	16%
SIM.349	facilities, including roads, dams (non-BOR), trails and bridges (non-BIA) are in fair to good condition as measured by a FCI	0.312 (E)	0.167	0.157
	Facilities Condition: Buildings (e.g., administrative, employee housing) in fair to good condition as measured by a FCI	0.130 (E)	0.223	0.221
SIM.347	Percent of physical and chemical hazards mitigated within 120 days to ensure visitor or public safety	Baseline established	23%	22%
Improve information base, information management and technical assistance				
SIM.848	Facilities are in fair to good condition as measured by the FCI	0.172	17%	17%
Fulfill Indian fiduciary trust responsibilities				
SIM.587	Indian natural resource trust assets	17%	18%	19%

Measure ID	Performance Measure	FY04 Actual	FY05 Final Target	FY06 Proposed Target
	management – percent of collections in DOI inventory in good condition			
SIM.588	management – percent of paleontologic localities in DOI inventory in good condition	Baseline	Baseline	TBD
SIM.586	management – percent of cultural properties in DOI inventory in good condition	No baseline hed	93%	96%
SIM.317	condition as measured by the FCI	0.124	0.107	0.091
SIM.408	Law enforcement facilities are in by the FCI	0.169	0.169	0.154
Strategic Goal: Management Excellence – Manage the Department to be Highly Skilled, Accountable, Modern, Functionally Integrated				
Performance/process improvement				
XIM.522	Percent of facilities that have a calculated FCI	No report	83.3%	100%

8. DOI BUREAU MISSIONS

Bureau	Mission
Bureau of La Management	The Bureau of Land Management (BLM) manages 264 million acres of surface acres of public lands located primarily in the 12 Western States, including Alaska. BLM manages an additional 300 million acres of below ground mineral estate located throughout the country. Originally, these lands were valued principally for the commodities extracted from them; today, the public also prizes them for their recreational opportunities and their natural, historical, and cultural resources they contain.
Minerals Service	The Minerals Management Service (MMS) regulates and manages the development of mineral resources in the Federal waters off the Nation's shores. MMS also collects, audits and distributes all mineral revenues from these Federal waters as well as from mineral resources on both Federal and Indian lands.
Office of Surface Mini	The Office of Surface Mining (OSM) mission is to carry out the requirements of the Surface Mining Control and Reclamation Act in cooperation with States and Tribes. OSM's primary objectives are to ensure that coal mines are operated in a manner that protects citizens and the environment during mining, assuring that the land is restored to beneficial use following mining, and to mitigate the effects of past mining by aggressively pursuing reclamation of abandoned coal mines.
Bureau of Reclamation	The mission of the Bureau of Reclamation (BOR) is to manage, develop, and protect water and related resources in an environmentally and economically sound manner in the interest of the American public. Established in 1902, BOR is the largest wholesale water supplier in the country, delivering 10 trillion gallons of water to more than 31 million people. BOR manages 457 dams, and its 348 reservoirs have more than 90 million recreation visits annually. It is also the Nation's second largest producer of hydropower and the tenth largest electric utility, generating about 42 billion kilowatt-hours a year.
U.S. Geologi Survey	fact-finding agency that collects, monitors, analyzes, and provides scientific understanding about natural resource conditions, issues, and problems. The value of the USGS to the Nation rests on its ability to carry out studies on a national scale and to sustain long-term monitoring and assessment of natural resources. Because it has no regulatory or management mandate, the USGS provides impartial science that serves the needs of our changing world. The diversity of scientific expertise enables the USGS to carry out large-scale, multi-disciplinary investigations that build the base of knowledge about the Earth. In turn, decision makers at all levels of government and citizens have the information tools they need to address pressing societal issues.

Bureau	Mission
U.S. Fish and Wildlife Serv	The Fish and Wildlife Service (FWS) works with others to conserve, protect, and enhance fish, wildlife, and plants and their habitats for the continuing benefit of the American people. The National Wildlife Refuge System is among the world's most significant land and water systems managed for the benefit of fish and wildlife. The 95 million-acre network provides stepping stones of habitat for many species of migratory birds and other wildlife, sanctuary for hundreds of threatened and endangered species, and secure spawning areas fisheries. The system includes 545 refuges and 37 wetland management districts. The FWS fisheries program helps safeguard inter-jurisdictional fisheries worth billions of dollars; rescues troubled aquatic species on the brink of extinction; and provides recreational opportunities for the public. The 69 national fish hatcheries produce about 150 million fish annually, including striped bass, steelhead, lake trout, and salmon. In addition, FWS operates an historic national fish hatchery, 7 fish technology centers, and 9 fish health centers.
National Park Service	preserves, unimpaired, the natural and cultural resources and values of the national park system for the enjoyment, education, and inspiration of this and future generations. The National Park System of the United States comprises 388 areas covering more than 84 million acres in 49 States, the District of Columbia, American Samoa, Guam, Puerto Rico, Saipan, and the Virgin Islands. These areas are of such national significance as to justify special recognition and protection in accordance with various acts of Congress. NPS cooperates with partners to extend the benefits of natural and cultural resource conservation and outdoor recreation throughout this country and the world.
Bureau of Ind Affairs	management of 55.7 million acres of land held in trust by the United States for American Indians, Indian tribes, and Alaska Natives. There are 562 Federally recognized tribal governments in the United States. Developing forestlands, leasing assets on these lands, directing agricultural programs, protecting water and land rights, developing and maintaining infrastructure and economic development are all part of the agency's responsibility. In addition, the BIA provides education services to approximately 48,000 Indian students.

9. ASSET MANAGEMENT IMPLEMENTATION PLAN

Initiative		Action	Lead DOI/ Bureau	Due	Location in
A Establish/ Update Policy	1	Develop API framework, criteria, and weighting to guide Department and bureau-level scoring processes that reflect the missions of each individual organization	DOI	Q4 '05	Support Agency Missions and Strategic Goals
		Develop template for sustainment information for project presentations to include the total cost of ownership.	DOI	Q4 '05	Planning and Acquisition of Real Property
	3	Issue Departmental policy to standardize the practice of estimating the cost of repairing asset deficiencies as documented during the condition assessment phase.	DOI	Q2 '06	Support Agency Missions and Strategic Goals
	4	Issue Departmental policy on evaluating owned and operated assets to determine its Current Replacement Value (CRV).	DOI	Q2 '06	Support Agency Missions and Strategic Goals
		Issue Departmental policy on improving the condition of the asset portfolio and properly sustaining it over asset life cycle or component life cycle.	DOI	Q2 '06	Planning and Acquisition of Real Property
		Update disposal policy to emphasize reduction of DOI's inventory of low priority assets using the Asset Priority Index (API), Facility Condition Index (FCI) and other factors.	DOI	Q4 '06	Disposal of Unneeded Property
B Accurate and Complete Inventory	1	Include FRPC's static key data elements (19 of the 23 elements). (The noted below under C4.)	DOI	Q1 '06	Support Agency Missions and Strategic Goals
		Accurately inventory all owned and leased space and constructed assets consistent with FRPC guidance.	DOI	Q1 '06	Operations of Real Property
C Implement Performance Metrics	1	Develop bureau scorecards for Real Property.	DOI	Q3 '05	Operations of Real Property
	2	Submit bureau internal scorecards	Bureau	Q4 '05	Operations of Real Property
	3	Develop key performance measures to determine the effectiveness of the acquisition phase of asset management	DOI	Q4 '05	Planning and Acquisition of Real Property

Initiative		Action	ead DOI/ Bure	Due Date	Location in AMP
		Implement the performance measures identified by the FRPC (FCI, API/mission dependency, operating costs, and utilization) as follows: • Utilization • Mission Dependency • Condition Index • Annual Operating and Maintenance Costs (data derived on full implementation of FBMS)	DOI	 Q1 '06 Q2 '06 Q4 '06	Planning and Acquisition of Real Property
Strengthen Project/ Portfolio Governance (CPIC Items)		Report FCI (current FCI and revised FCI) for all currently approved FY 2005 and FY 2006 construction projects for which FCI had not previously been provided.	Bureau	Q3 '05	Planning and Acquisition of Real Property
		Develop a tool for the quarterly status reporting of current major construction projects similar to that used for DOI IT projects.	DOI	Q3 '05	Operations of Real Prop
	3	Implement the DOI developed tool for the quarterly status reporting of current major construction projects similar to that used for DOI IT projects.	Bureau	Q4 '05	Operations of Real Prop
	4	Revise the DOI CPIC guide to address the life-cycle period in determining the full cost of each type of asset covered in the AMP.	DOI	Q1 '06	Sup of Agency Missions & Strategic Goals
		Include API as a performance measure for each asset in major project proposals submitted to the IRB.	Bureau	Q1 '06	Planning and Acquisition of Real Property
		Include sustainment information to demonstrate the total cost of ownership in all FY 2008 project presentations to the Bureau Investment Review Board (IRB).	Bureau	Q2 '06	Planning and Acquisition of Real Property
	7	Measure bureau CPIC programs and portfolio management success through use of "Self-Assessment Guide toward Portfolio Management Maturity." (The Guide will be based on the Information Technology Investment Management (ITIM) process maturity stages, issued by the Government Accountability Office).	DOI	Q4 '07	Planning and Acquisition of Real Property
E **Strengthen Planning**		Develop standard template for bureau Asset Management Plans.	DOI	Q4 '05	Operations of RP
	2	Develop a Site Specific Asset Business Plan format for use by the individual bureaus.	DOI	Q1 '06	Operations of RP
	3	Develop bureau-wide Asset Management Plans which will follow FRPC guidance and the DOI issued standard template.	Bureau	Q3 '06	Operations of Real Property

Initiative		Action	ead DOI/	Due Date	Location in AMP
		Develop Site Specific Asset Business Plans which will follow the DOI issued format.	Bureau	Q1 '07	Operations of RP
F **Initiatives (i.e., Fleet, Space, Single Platform MAXIMO™)**		Through a Departmentwide Space Management Initiative, recommend actions to strengthen policy, mgmt and governance of the portfolio of owned and leased office and warehouse space.	DOI	Q4 '05	Planning and Acquisition of Real Property
		Formulate a Departmentwide multi-year space planning process to guide future locations through relocations, consolidations, and collocations with space data provided by the bureaus.	DOI	Q2 '06	Planning and Acquisition of Real Property
		Develop a vehicle management policy which includes guidance for performance measures, base-lining the fleet, maximizing the utilization of vehicles and disposing of excess vehicles.	DOI	Q4 '05	Disposal of Unneeded Property
	4	Implement each bureau's respective Fleet Management Plan and begin tracking the performance measures established within the plan.	Bureau	Q1 '06	Operations of Real Property
	5	Include in each bureau's Fleet Management Plan appropriate guidance to ensure that the Bureau has the minimum number of vehicles to accomplish its mission.	Bure	Q4 '05	Disposal of Unneeded Property
		Roll-out the Department's Single Platform MAXIMO™.	DOI	TBD	Operations of RP
G **Analyze Resource Needs**	**1**	Undertake mission needs analysis/gap analysis to evaluate and compare the resource requirements necessary to implement the Asset Management Plan.	DOI	Q1 '06	Sup Agency Missions &
	2	Identify low priority assets and request funding for their disposal in the bureaus' FY 2008 budget.	Bureau	Q1 '06	Disposal of Unneeded Property
	3	Expand the Draft Facility Management Workforce Plan to be consistent with the DOI Human Capital Management Plan.	DOI	Q3 '06	Sup Agency Missions and Strategic Goals

10. AMP SECTIONS REFERENCING FACILITY CONDITION INDEX, ASSET PRIORITY INDEX, AND CAPITAL PLANNING AND INVESTMENT CONTROL

REFERENCE IN AMP		Facility Condition	Asset Priority Index (API)	Capital Planning and Investment Control (CPIC)
Section	Title			
	Executive Summary			
	Contribution to Mission			
2.3.1.3	Asset Condition			
2.3.1.5	Improving the Condition of the Asset Portfolio and Properly ment			
	Current Decision-Making Process			
	Moving to Portfolio-based Decision-Making			
	Human Capital, Policy and Decision-Making Initiatives			
	Capital Plan for Major Projects			
3.1.1	New Construction of Major Projects ($2 Million and above)			
3.1.2	Repair and Alterations Major Projects ($2 Million and above)			
	New Construction Repair and Alterations of Non-Major Projects			
	Acquisition Performance Measures and Continuous Monitoring			
	Agency Specific Measures			
3.4	Planning and Acquisition Initiatives			
4.4	Asset Business Plans (site-specific)			
4.6	Operations and Maintenance Plan			
4.8	Capital and Operating Resource Requirements			
4.9.1	Federal Real Property Council Measures			

REFERENCE IN AMP		Facility Condition Index (FCI)	Asset Priority Index (API)	Capital Planning and Investment Control (CPIC)
Section	Title			
4.9.2	DOI and Agency Specific Measures			
5.1	Data Tools to Support Decision-Making			
5.4	Disposal Initiatives			
6.	Conclusion			
7.	(GPRA) Strategic Plan Asset Management Performance Measures			
8.	Asset Management Implementation Plan			